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CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
BUSINESS MEETING

DATE AND TIME: THURSDAY, JANUARY 21, 1999

PLACE: CITY OF INDUSTRY COUNCIL CHAMBERS
15651 STAFFORD STREET
CITY OF INDUSTRY, CALIFORNIA

REPORTER: BARBARA R. REISDORF, RPR, CSR
CERTIFICATE NO. 7415

CALIFORNIA SHORTHAND REPORTING

(415) 457-4417

APPEARANCES

DANIEL G. PENNINGTON, CHAIRMAN

ROBERT C. FRAZEE, VICE CHAIRMAN

DAN EATON, BOARD MEMBER

STEVEN R. JONES, BOARD MEMBER

DAVID A. ROBERTI, BOARD MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, EXECUTIVE DIRECTOR

MS. KATHRYN TOBIAS, LEGAL COUNSEL

MS. MARLENE KELLY, COMMITTEE SECRETARY

MS. PATTY BERTRAM

MS. PIPER MIGUELGORRY

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1 P R O C E E D I N G S

2 CHAIRMAN PENNINGTON: GOOD MORNING, AND
3 WELCOME TO THE JANUARY 21ST MEETING IN THE
4 CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD.
5 CAN YOU HEAR ME ALL RIGHT?

6 OKAY. I FEEL LIKE YOU CAN'T HEAR ME. I
7 DON'T HEAR.

8 HOW ABOUT THAT? IS THAT BETTER? OKAY.

9 WILL THE SECRETARY PLEASE CALL THE ROLL.

10 MS. KELLY: BOARD MEMBER EATON?

11 MR. EATON: HERE.

12 MS. KELLY: FRAZEE?

13 MR. FRAZEE: HERE.

14 MS. KELLY: JONES?

15 MR. JONES: HERE.

16 MS. KELLY: ROBERTI?

17 MR. ROBERTI: HERE.

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1 MS. KELLY: CHAIRMAN PENNINGTON?

2 CHAIRMAN PENNINGTON: HERE.

3 WE HAVE A QUORUM.

4 DO ANY BOARD MEMBERS HAVE EX PARTE? I'LL

5 START WITH SENATOR ROBERTI.

6 MR. ROBERTI: NO EX PARTE, NO.

7 CHAIRMAN PENNINGTON: NO EX PARTES?

8 MR. FRAZEE: NO.

9 CHAIRMAN PENNINGTON: MR. EATON?

10 MR. EATON: I JUST HAVE THREE LATE -- A

11 LETTER FROM KENT STODDARD DATED 12-22-98,

12 12-30-98 AND 1-19-99 REGARDING AB 715 FINANCIAL

13 ASSURANCE, FAX, SLASH, ARTICLE FROM JERRY

14 JAMGOTCHIAN REGARDING THE CITY OF HAWTHORNE

15 DATED JANUARY 4TH, 1999 AND A LETTER FROM LINDA

16 FALASCO CMAC, REGARDING CME DEBRIS DATED

17 12-28-98.

18 EVERYTHING ELSE IS UP TO DATE.

19 CHAIRMAN PENNINGTON: OKAY. MR. JONES.

20 MR. JONES: JUST ONE EX PARTE WITH LARRY

21 SWEETSER, JUST -- HE WAS JUST CHECKING TO MAKE SURE

22 EVERYTHING WAS OKAY WITH MID-VALLEY.

23 CHAIRMAN PENNINGTON: VERY GOOD.

24 MR. ROBERTI: MR. CHAIRMAN, I'VE GOT MY

25 LISTS NOW.

26 BUD CORMIER FROM THE CITY OF HAWTHORNE

27 REGARDING TIME EXTENSIONS, KEN STODDARD FROM

28 WASTE MANAGEMENT REGARDING FINANCIAL

29 ASSURANCES, JERRY JAMGOTCHIAN REGARDING H AND C

1 DISPOSAL, RICHARD BRUNING REGARDING THE CAGION SITE
2 FIRE AND BURT BALL REGARDING L.A. SHAYERS.

3 CHAIRMAN PENNINGTON: OKAY. VERY GOOD.
4 THERE ARE -- IF ANYBODY WISHES TO ADDRESS
5 ANY ITEM ON THE BOARD THIS MORNING, AT THE
6 ENTRANCE OUT THERE THERE ARE SPEAKER SLIP
7 FORMS. IF YOU WOULD FILL THOSE OUT AND GET
8 THEM TO MISS KELLY HERE, WE WILL MAKE SURE THAT
9 YOU GET AN OPPORTUNITY TO ADDRESS THAT ITEM.

10 WE DO NOT HAVE ANY AGENDA ITEMS TO BE HEARD
11 UNDER THE CONTINUING BUSINESS AGENDA ITEMS OR
12 THE CONSENT CALENDAR.

13 AS REQUESTED BY BOARD MEMBER EATON, WE WILL
14 BE TAKING UP AGENDA ITEM NO. 9 AS THE FIRST NEW
15 BUSINESS ITEM FOLLOWING OUR REPORTS AND
16 PRESENTATIONS.

17 PRIOR TO GOING INTO THE AGENDA ITEMS, WE'LL
18 HAVE A SHORT CLOSED SESSION IN THE BACK ROOM
19 BACK HERE.

20 NOW WE'LL HEAR FROM MR. DON SACHS OF -- THE
21 EXECUTIVE DIRECTOR OF THE CHAMBER OF COMMERCE.

22 MR. SACHS: THANK YOU, MR. CHAIRMAN,
23 MEMBERS OF THE BOARD, STAFF, THE AUDIENCE. I AM
24 DON SACHS. I'M THE EXECUTIVE DIRECTOR OF THE
25 CHAMBER OF COMMERCE FOR THE CITY OF INDUSTRY.

26 WE USE THE TITLE CALLED INDUSTRY
27 MANUFACTURERS COUNCIL BECAUSE WE DON'T HAVE
28 WHAT NORMAL CITIES HAVE. WE HAVE LESS THAN 500
29 PEOPLE LIVING IN THE CITY. 200 OF THEM LIVE AT

1 CONVALESCENT HOSPITALS. WE ONLY HAVE 120
2 REGISTERED VOTERS.

3 YOU COULD PROBABLY DETECT WHAT IS THE CITY
4 OF INDUSTRY BY THIS AERIAL MAP. EVERYTHING WITH
5 A LARGE BUILDING ROOF RUNNING FROM POMONA ALL
6 THE WAY OVER TO SOUTH EL MONTE AND NORTH
7 WHITTIER. ABOUT 70,000 PEOPLE IN THE CITY
8 EVERY DAY AT WORK, AND WE DRAW FROM COMMUNITIES
9 SUCH AS ROWLAND HEIGHTS, DIAMOND BAR, WALNUT,
10 POMONA, WEST COVINA, VALINDA, LA PUENTE,
11 BASSETT AND EL MONTE.

12 SO WE'RE LOCATED BETWEEN THE RAILROAD
13 TRACKS, AND OTHER THAN THE SHERATON HOTEL,
14 WHERE SOME OF YOU OR ALL OF YOU MAY HAVE STAYED
15 -- DID ANYBODY GET ANY GOLF IN? AND IF YOU DID,
16 I APOLOGIZE FOR HOW MANY BALLS YOU LOST. IT'S
17 A DIFFICULT COURSE, BUT THAT IS CONNECTED BY
18 ONE ROAD, SO IT'S CONTIGUOUS WITH THE CITY OF
19 INDUSTRY.

20 I CAN GO ON AND ON, BUT I HAVE AN
21 EIGHT-MINUTE PRESENTATION VIDEO THAT THE
22 MAJORITY OF THE AUDIENCE WILL BE ABLE TO SEE,
23 BUT DEFINITELY THE BOARD WILL BE ABLE TO SEE,
24 AND I'LL BE HAPPY TO ADDRESS ANY QUESTIONS YOU
25 MAY HAVE FOR THE LIMITED TIME THAT IS AVAILABLE
26 TO ME.

27 (VIDEO PRESENTATION.)

28 MR. SACHS: WHEN YOU TALK ABOUT POSITIVE
29 PROPAGANDA, THAT CERTAINLY IS IT. WE GOT --

1 EVERY THREE MONTHS USUALLY HAVE A GROUP --
2 EXCUSE ME -- A GROUP FROM MAINLAND CHINA THAT
3 TOURS THE CITY, AND SPECIFICALLY BECAUSE WE
4 HAVE SO MANY CHINESE-OWNED BUSINESSES IN THE
5 CITY, THEY DO KNOW ABOUT CITY OF INDUSTRY IN
6 BEIJING, AND I WAS THEIR GUEST LAST YEAR AND
7 FROZE JUST ABOUT THIS TIME IN JANUARY.

8 ONE THING I'D LIKE TO STRESS IS YOU MAY
9 HAVE CAUGHT THAT THERE IS NO CITY LICENSE IN
10 THE CITY OF INDUSTRY. ALL THAT IS REQUIRED IS
11 AN APPLICATION FOR A USE PERMIT TO MAKE SURE
12 THAT WHAT YOU'RE GOING TO BE DOING IS NOT GOING
13 TO CREATE A PROBLEM FOR THE CITY. THE TAX BASE
14 IS STRICTLY ON YOUR PROPERTY TAX, YOUR VALUE OF
15 YOUR BUILDING, WHAT YOU HAVE INSIDE OF IT, AND
16 THE PROPERTY ON WHICH IT SETS. NO OTHER TAX IN
17 THE CITY OF INDUSTRY.

18 CERTAINLY ON BEHALF OF MAYOR DAVE WINN, WE
19 WELCOME YOU TO THE CITY. WE ARE APPRECIATIVE
20 THAT YOU SELECTED THE CITY FOR THIS MEETING,
21 AND I'M AVAILABLE FOR ANY QUESTIONS FROM THE
22 BOARD. I REALIZE YOU HAVE A TIGHT AGENDA, AND
23 IF THERE ARE NONE, IT'S BEEN A PLEASURE. THANK
24 YOU.

25 CHAIRMAN PENNINGTON: ANY QUESTIONS?

26 I THANK YOU VERY MUCH. I APPRECIATE IT.
27 THAT WAS A GOOD FILM.

28 NEXT WE HAVE MIKE MOHAJER, SPECIAL
29 ASSISTANT TO THE DIRECTOR WASTE MANAGEMENT

1 PROGRAMS LOS ANGELES COUNTY PUBLIC WORKS.

2 MR. MOHAJER: GOOD MORNING, MR. CHAIRMAN,
3 MEMBER OF THE BOARD. FOR THE RECORD, MY NAME
4 IS MIKE MOHAJER, THE DAILY COUNCIL REPORT FOR
5 THE PUBLIC WORKS. ON BEHALF OF OUR DIRECTOR
6 AND ALSO THE CHAIR OF OUR LOCAL TASK FORCE, I
7 WOULD LIKE TO THANK THE BOARD FOR CONDUCTING
8 THE MEETING HERE IN THE COUNTY OF LOS ANGELES,
9 AND I WOULD LIKE TO OFFER A SPECIAL WELCOME.

10 I BELIEVE IT IS IMPORTANT FOR THE BODY,
11 YOUR BODY, TO BE IN CLOSE CONTACT WITH LOCAL
12 GOVERNMENT SINCE THEY ARE AND WILL CONTINUE TO
13 BE HEAVILY IMPACTED BY THE BOARD ACTION.

14 ADDITIONALLY, MAINTAINING A GOOD
15 UNDERSTANDING OF LOCAL COMMUNITY CONCERNS AND CAPABILITIES WILL
16 GO A LONG WAY IN PROMOTING APPROPRIATE WASTE MANAGEMENT
17 TECHNIQUES. THEREFORE, I

18 WOULD ENCOURAGE YOUR BOARD TO SCHEDULE MORE
19 FREQUENT MEETINGS IN LOS ANGELES COUNTY,
20 ESPECIALLY CONSIDERING THAT WE HAVE ONE-THIRD
21 OF THE STATE POPULATION, AND WE RECYCLE -- OUR
22 BUSINESSES AND RESIDENTS, THEY RECYCLE OVER
23 ONE-THIRD OF THE STATE SOLID WASTE.

24 NO OTHER SINGLE REGION IN THE STATE FACES
25 SOLID WASTE MANAGEMENT CHALLENGES OF THE
26 MAGNITUDE Faced BY THIS COUNTY. CONVERSELY, THE
27 EFFORTS WITH 88 CITIES IN THE COUNTY AND THE
28 UNINCORPORATED COMMUNITIES TO CONFRONT THESE
29 CHALLENGES, ESPECIALLY MAKING MANDATES OF AB

1 939, ARE UNPARALLELED IN THIS STATE AND
2 PROBABLY THE NATION.

3 I WANT TO CONGRATULATE YOUR BOARD FOR THE
4 MEETING WE HAD YESTERDAY, TALKING ABOUT VARIOUS
5 ISSUES IN THE 21 CENTURY, BUT I'D LIKE TO GO
6 OVER A COUPLE OF THOSE ISSUES THAT ARE OF LOCAL
7 CONCERNS TO THE JURISDICTIONS, AND I -- BECAUSE
8 OF THE TIME, AS I SAID, I'M GOING TO LIMIT IT
9 TO ONLY TWO.

10 THE FIRST ONE IS SOMETHING THAT IS NOT NEW
11 TO THIS BOARD, AND THAT'S DISPOSAL QUANTITY
12 REPORTING. BEFORE I DISCUSS THAT ISSUE, I WANT
13 TO THANK THE BOARD AND STAFF FOR WORKING
14 CLOSELY WITH US IN ADDRESSING THE BASE-YEAR
15 ACCURACY ISSUE WHICH HAVE BEEN A GREAT CONCERN
16 TO JURISDICTION OF LOS ANGELES COUNTY. BY THE
17 WAY, WE MADE THE FRONT PAGE OVER HERE THAT I
18 DISTRIBUTED A COPY FOR YOUR REFERENCE.

19 I'M GLAD TO SAY THAT YOUR RECENT BOARD
20 ACTION, THE SO-CALLED L.A. COUNTY FIX, WHILE IT
21 COMPROMISES, IT IS AN IMPORTANT STEP WHICH
22 ALLOWS MANY JURISDICTION IN THE COUNTY TO MOVE
23 FORWARD. THIS JURISDICTION CAN NOW FOCUS THEIR
24 RESOURCES TO MAXIMIZE WASTE REDUCTION EFFORT
25 RATHER THAN SPENDING THOSE RESOURCES FOR
26 FURTHER ACCOUNTING.

27 HOWEVER, THE PROBLEM OF THE WASTE ORIGIN IS
28 NOT FULLY RESOLVED. THIS IS A CHALLENGE IN LOS
29 ANGELES COUNTY, SINCE WE GOT 89 JURISDICTIONS

1 EACH WITH A UNIQUE SOLID WASTE MANAGEMENT
2 SYSTEM, WHICH MAY BE RELYING ON PUBLIC, PRIVATE
3 OR A COMBINATION OF PUBLIC AND PRIVATE SERVICES
4 AND OPERATION TO PROVIDE FOR THE SOLID WASTE
5 NEEDS OF THEIR CITIZENS.

6 BECAUSE OF THIS COMPLEXITY OF THE SYSTEM,
7 IT IS EXTREMELY DIFFICULT TO DEVISE A RELIABLE
8 METHOD FOR TRACKING THE ORIGIN OF WASTE. THIS
9 IS ESPECIALLY TRUE IN THE CASE OF THE
10 SELF-HAULED WASTE, WHERE ANY PERSON CAN BECOME
11 CONFUSED BY PROFUSION OF CITIES, COMMUNITIES
12 WITHIN THE CITIES, COUNTY UNINCORPORATED
13 COMMUNITIES AS WELL AS THE ZIP CODES WHICH
14 ZIGZAGS ALL OVER THE PLACE. THEREFORE, THERE
15 REMAINS A GREAT NEED FOR THE WASTE BOARD, LOCAL
16 GOVERNMENT AND THE INDUSTRY TO WORK TOGETHER ON
17 THIS ISSUE.

18 ONE POSSIBLE SOLUTION MAY BE TO ASSIGN
19 GREATER RESPONSIBILITY, AND I'M PROBABLY GOING
20 TO GET SHOT, ON WASTE FACILITY OPERATORS AND
21 ALSO THE WASTE OWNERS. FOR EXAMPLE, IT HAS
22 BEEN OUR OBSERVATION THAT SOME FACILITY
23 OPERATORS MAY BE RELUCTANT TO PENALIZE THEIR
24 CUSTOMERS WHO FAIL TO COMPLY WITH THE STATE
25 REPORTING REQUIREMENTS FOR FEAR OF LOSING
26 BUSINESS.

27 IN THIS RESPECT, SOME ACTION BY THE WASTE
28 BOARD MAY BE WARRANTED TO CORRECT THIS PROBLEM.
29 ANOTHER POSSIBLE SOLUTION MAY BE TO INCREASE

1 THE FREQUENCY OF THE SURVEY PERIOD THAT WE
2 CONDUCT, BUT THE REAL SOLUTION IS REALLY NOT TO
3 PLACE SO MUCH EMPHASIS ON THE ACCOUNTING.

4 I WAS LOOKING AT THE SENATOR BYRON SHER'S
5 SPEECH THAT WAS HANDED OUT YESTERDAY, AND I
6 FULLY AGREE THAT REALLY WE NEED TO ENSURE THE
7 QUALITY OF THE WASTE DIVERSION PROGRAMS RATHER
8 THAN PUTTING SO MUCH EMPHASIS ON THE QUANTITY.
9 SO THAT IS SOMETHING THAT REALLY NEEDS TO BE
10 ISSUED AS WE MOVE INTO THE 21ST CENTURY.

11 MOVING ON TO THE SECOND ISSUE I WANTED TO
12 -- TO MENTION, AND RECOGNIZING THAT, AGAIN, THE
13 BASE-YEAR ACCURACY IS NOT PROBABLY RESOLVED BY
14 ALL THE JURISDICTIONS, THE PROBLEM THAT WE HAVE
15 OF TRACKING WITH THE WASTE -- THE WASTE
16 ORIGINS, DIFFICULTY THAT WE HAVE ENCOUNTERED,
17 AT LEAST IN THIS COUNTY, FOR CITING THE
18 PROCESSING FACILITIES AND LACK OF ADEQUATE
19 MARKET FOR COMPOSTING AND RECYCLE MATERIALS,
20 THERE'S A POSSIBILITY THAT SOME JURISDICTIONS
21 AT LEAST IN THIS REGION MAY NOT BE ABLE TO
22 DOCUMENT ACHIEVEMENT OF THE 50-PERCENT WASTE
23 REDUCTION BY THE YEAR 2000, ONLY A FEW MONTHS
24 FROM NOW.

25 SENATE BILL 1066, WHICH WAS SHOT OVER A
26 YEAR AGO, PROVIDES SOME RELIEF TO THESE
27 JURISDICTIONS. SO I BELIEVE IT IS ESSENTIAL
28 FOR THE WASTE BOARD TO -- TO ADOPT REGULATIONS
29 AND ALL POLICY FOR IMPLEMENTATION OF THE 1066

1 AND TO GUIDE JURISDICTION, WHICH MAY FIND
2 THEMSELVES IN SUCH A SITUATIONS.

3 TO CONCLUDE MY PRESENTATION, I WOULD LIKE
4 TO THANK JUDY FRIEDMAN, SITTING OVER HERE, PAT
5 SCHIAVO AND REALLY ALL THE STAFF MEMBER OF THE
6 OFFICE OF LOCAL ASSISTANCE AND FOR A CHANGE --
7 A LAWYER, I DON'T SEE ELLIOT BLOCK, FOR THE
8 TEAM SPIRIT THAT THEY EXHIBITED WHILE WORKING
9 WITH US DURING 1998, ADDRESSING REALLY THE MANY
10 DIFFICULT WASTE CHALLENGES LAST YEAR. I'M
11 HOPING FOR THIS SUCCESSFUL WORKING RELATION TO
12 CONTINUE IN 1999 AND THE YEARS TO COME.

13 THANKS VERY MUCH, AND I'LL BE ABLE TO
14 ANSWER ANY QUESTIONS YOU HAVE.

15 CHAIRMAN PENNINGTON: ANY QUESTIONS?

16 OKAY. THANK YOU VERY MUCH.

17 NEXT WE'LL HAVE -- ANY BOARD MEMBERS HAVE
18 ANY STATEMENTS OR REPORTS TO MAKE?

19 I FIRST WOULD LIKE TO START OFF BY
20 CONGRATULATING DAN EATON, STEVE JONES, RALPH
21 CHANDLER, ALL OF THE CIWMB STAFF FOR AN
22 EXCELLENT MEETING YESTERDAY. I THINK IT WAS
23 VALUABLE. I THINK IT WAS USEFUL, AND I JUST
24 CAN'T CONGRATULATE THEM ENOUGH FOR THE EFFORT
25 THAT WAS PUT IN AND THE SUCCESS OF THE PROGRAM.
26 AND CERTAINLY THESE TWO GENTLEMEN LED THE WAY
27 AND SET A VERY GOOD GROUND FLOOR FOR US TO
28 PROCEED IN THE NEXT -- NEXT FEW MONTHS, ANYWAY.
29 SO THANK YOU.

1 ANY -- ANY REPORTS FROM ANY OF YOU?

2 MR. EATON: NO, MR. CHAIR. NO, MR. CHAIR,
3 BUT I WOULD LIKE TO JUST MAKE A COUPLE OF
4 COMMENTS.

5 I TOO WAS VERY PLEASED WITH YESTERDAY, BUT
6 I ALSO KNOW THAT IT TAKES TEAM WORK, AND I
7 APPRECIATE ALL -- NOT ONLY THE STAFF'S EFFORTS,
8 BUT ALL THE BOARD MEMBERS' PARTICIPATION AND
9 THE FORESIGHT. AS WE BEGAN THIS PROCESS -- I
10 CAN ALMOST REMEMBER HOW LONG AGO IT WAS. IT
11 WAS LIKE SIX, EIGHT MONTHS AGO THAT IT FINALLY
12 CAME TO FRUITION.

13 AND I WOULD ALSO LIKE TO PAY SPECIAL THANKS
14 TO STEVE JONES, MAINLY BECAUSE HE HELD OUT THAT
15 WE COME HERE TO THE CITY OF INDUSTRY AND THAT
16 IT WAS INTERESTING THAT HE THOUGHT IT WAS NOT
17 ONLY THE MOST APPROPRIATE PLACE TO HAVE -- TO
18 HAVE THE CONFERENCE, BUT ONE THAT WOULD WELCOME
19 US, AND I THINK HE WAS ABSOLUTELY RIGHT.

20 THE CITY, WHILE MAYBE IT'S SMALL IN
21 POPULATION, IT SURELY IS BIG IN HEART AND IN
22 HOSPITALITY, AND I THINK IT'S ONE OF THE BEST
23 PLACES, AT LEAST IN MY SHORT TENURE ON THE
24 BOARD, THAT I'VE HAD THE OPPORTUNITY TO -- TO
25 ENJOY THE FACILITY, AND THE PEOPLE THERE THAT
26 MADE US FEEL WELCOME. SO THAT I DO -- DO
27 APPRECIATE, AND I DO THANK THE CITY AS WELL.
28 AND I THINK THAT THEY'VE DONE A GOOD JOB, AND
29 HOPEFULLY THAT WE HAVEN'T WORN OUT OUR WELCOME,

1 AND AT SOME POINT IN THE FUTURE WE'LL BE ABLE
2 TO COME BACK.

3 CHAIRMAN PENNINGTON: MR. JONES?

4 MR. JONES: I'D LIKE TO -- I'D LOOK TO ECHO
5 SOME OF THOSE WORDS, BUT FIRST I'D LIKE TO
6 THANK YOU AND THE VICE CHAIR, BOB FRAZEE, AND
7 THE OTHER BOARD MEMBERS THAT ALLOWED MR. EATON
8 AND I TO -- TO KIND OF SHEPHERD THIS PROJECT,
9 BECAUSE WITHOUT YOUR SUPPORT, THIS WOULDN'T
10 HAVE HAPPENED, AND WE'RE VERY AWARE OF THAT.

11 AND I ALSO WANT TO THANK THE STAFF. I MEAN,
12 IT -- THEY CONTINUALLY AMAZE ME. THEY GET MAD
13 AT US BECAUSE WE ARE -- MR. EATON AND I, I
14 THINK, PROBABLY BOTH COME FROM BACKGROUNDS
15 WHERE DETAIL IS VERY IMPORTANT AND USUALLY THE
16 DIFFERENCE BETWEEN MAKING A BUCK OR MAKING A
17 BILL PASS OR SOMETHING LIKE THAT. SO YOU'RE
18 PRETTY IN TUNE WITH THE DETAILS. SO WHILE WE
19 MAY BE MICRO MANAGERS AS POLICY MAKERS, THEY
20 PUT UP WITH US. BUT IT WAS OBVIOUS THAT THEY
21 WERE THE ONES WHO CARRIED THE WATER YESTERDAY,
22 AND THEY DID A GREAT JOB, AND THEY ARE TO BE
23 COMMENDED, ALL OF THEM.

24 AND ALSO THE PEOPLE THAT CAME. WE HAD
25 FOLKS FROM ALL OVER THE STATE OF CALIFORNIA.
26 WE HAD FOLKS FROM DIFFERENT PARTS OF THE NATION
27 THAT CAME IN TO BRING THEIR POINTS OF VIEW,
28 WHAT THEY CONSIDERED TO BE ISSUES, AND I THINK
29 IT REINFORCES THE FACT THAT THIS BOARD

1 CONTINUALLY SITS ON THE FOREFRONT OF BEING A
2 PROACTIVE GOVERNMENT AGENCY THAT'S THERE TO
3 WORK TO A COMMON GOOD AND A COMMON GOAL AS
4 OPPOSED TO A REGULATORY AGENCY THAT'S WHOLE
5 MISSION IN LIFE IS TO MAKE LIFE MISERABLE FOR
6 THOSE OF US THAT HAVE BEEN REGULATED. AND THEY
7 -- FOR THAT, I -- I TAKE A LOT OF PRIDE IN
8 BEING PART OF THIS BOARD, BECAUSE IT NEVER
9 CEASES TO BE FUN. I MEAN, THERE'S ALWAYS A
10 GOOD TIME. BUT I DO WANT TO CONGRATULATE
11 EVERYBODY, AND, AGAIN, THANK THE BOARD MEMBERS
12 FOR TRUSTING MR. EATON AND I.

13 AND LASTLY MR. EATON AND I SPENT PROBABLY
14 EIGHT OR NINE MONTHS WORKING ON THIS THING, AND
15 WE GOT TO KNOW EACH OTHER PRETTY WELL. AND
16 THIS IS THE WAY WE SHOULD RUN THIS
17 ORGANIZATION, IS TO CONTINUALLY PUT TEAMS
18 TOGETHER WITH EXPERTISE TO COME UP WITH
19 SOLUTIONS. SO THAT'S WHAT THEY PAY US FOR, BUT
20 THANK YOU AGAIN.

21 CHAIRMAN PENNINGTON: ANY OTHER BOARD
22 STATEMENTS?

23 IF NOT, WE'LL HEAR NOW FROM THE EXECUTIVE
24 DIRECTOR, MR. CHANDLER.

25 MR. CHANDLER: GOOD MORNING, BOARD MEMBERS.
26 I HAVE JUST A COUPLE OF ITEMS TO BRING BEFORE
27 YOU TODAY.

28 FIRST, I'M PROUD TO REPORT THAT TODD
29 THALHAMER OF OUR CLEANUP AND RESTORATION

1 PROGRAM, WAS ASKED BY U.S. EPA TO TRAVEL TO
2 GUAM LAST WEEK TO ADVISE OFFICIALS THERE ON HOW
3 TO DEAL WITH A MAJOR TIRE AND UNDERGROUND
4 LANDFILL FIRE PROBLEM. I UNDERSTAND TODD MET
5 WITH NEARLY EVERY OFFICIAL ON THE ISLAND,
6 EXCEPT FOR THE GOVERNOR.

7 IN VISITING THE LANDFILL, TODD SHARED HIS
8 TECHNICAL EXPERTISE ON WHAT TYPES OF
9 REMEDIATION WERE POSSIBLE FOR THE SITUATION.
10 AND AS MANY OF YOU MAY BE AWARE, TODD HAS
11 EXPERIENCE BASED ON MANY LANDFILL AND TIRE
12 FIRES HE'S BEEN INVOLVED WITH IN CALIFORNIA.

13 ADDITIONALLY, TODD HAS PAST FIREFIGHTING
14 EXPERIENCE WITH THE CALIFORNIA DEPARTMENT OF
15 FORESTRY AND CURRENTLY SERVES AS A VOLUNTEER
16 FIREMAN IN EL DORADO COUNTY.

17 WHAT I FOUND PARTICULARLY INTERESTING ABOUT
18 TODD'S EFFORTS IS NOT ONLY WERE OFFICIALS
19 ASKING FOR HIS TECHNICAL ASSISTANCE REGARDING
20 THE FIRE, THEY WERE ALSO VERY INTERESTING IN
21 WHAT WE HERE IN CALIFORNIA TAKE FOR GRANTED,
22 THAT BEING INFORMATION ABOUT COMPOSTING,
23 RECYCLING, ALTERNATIVE DAILY COVER AND CLOSURE
24 REQUIREMENTS. TODD PLANS TO WRITE A TECHNICAL
25 REPORT ABOUT HIS TRIP, AND I WILL BE SURE TO
26 SHARE A COPY WITH YOUR OFFICES.

27 SECONDLY, AS YOU MAY RECALL, THE BOARD
28 SUBMITTED A BCP FOR THE 1999/2000 FISCAL YEAR
29 TO IMPROVE SOLID WASTE FACILITIES' COMPLIANCE

1 WITH STATE MINIMUM STANDARDS AND THE PUBLIC
2 RESOURCE CODE REQUIREMENTS. THE BOARD HAS
3 IDENTIFIED, AS YOU'RE AWARE, IMPROVING FACILITY
4 COMPLIANCE AS A STRATEGIC PLAN PRIORITY AREA.
5 IN ANTICIPATION OF THE BCP, STAFF IS COMPILING
6 INFORMATION ON LANDFILLS TO DETERMINE WHICH ARE
7 NOT TO COMPLIANCE, WHY THEY ARE NOT IN
8 COMPLIANCE AND WHAT CORRECTIVE ACTION HAS BEEN
9 OR NEEDS TO BE TAKEN.

10 IN ORDER TO GET A TRUE PICTURE OF LANDFILL
11 PERFORMANCE, WE'RE SEEKING A COMPREHENSIVE
12 REVIEW THAT LOOKS AT ALL MEDIA IMPACTS,
13 INCLUDING WATER AND AIR.

14 IT'S MY OPINION THAT ONE OF THE LIMITATIONS
15 OF AB 1220 IS THAT IT COMPARTMENTALIZED
16 OVERSIZE AT LANDFILLS LEADING TO FRACTURED
17 UNDERSTANDING OF LANDFILL PERFORMANCE. EARLIER
18 THIS MONTH I SENT A LETTER TO THE STATE'S WATER
19 AND AIR BOARD REQUESTING THEIR HELP IN
20 IDENTIFYING LANDFILLS THAT ARE OUT OF
21 COMPLIANCE AND WHAT ACTIONS NEED TO BE TAKEN OR
22 HAVE BEEN TAKEN TO CORRECT THE VIOLATIONS.

23 WE HOPE TO HEAR FROM BOTH BOARDS BY
24 FEBRUARY 14TH, AND I WILL CONTINUE TO KEEP YOU
25 APPRISED OF THIS EFFORT IN MY FUTURE UPCOMING
26 DIRECTOR REPORTS.

27 AND THAT, MR. CHAIRMAN, CONCLUDES MY
28 REPORT.

29 CHAIRMAN PENNINGTON: VERY GOOD.

1 ANY QUESTIONS OF MR. CHANDLER?

2 OKAY. NEXT IS A REPORT ON THE 21ST CENTURY
3 PROJECT. I THINK WE'VE HEARD THAT, UNLESS YOU
4 TWO WANT TO ADD ANYTHING ADDITIONAL.

5 MR. EATON: THAT'S FINE.

6 CHAIRMAN PENNINGTON: VERY GOOD. WITH
7 THAT, WE WILL GO INTO A CLOSED SESSION TO
8 DISCUSS SOME LITIGATION SITUATIONS. WE'LL BE
9 VERY SHORT, SO WE'LL BE BACK AS QUICK AS WE
10 CAN.

11 (A BRIEF RECESS WAS TAKEN.)

12 CHAIRMAN PENNINGTON: OKAY. WE'VE COME
13 BACK TO ORDER.

14 WE WILL TAKE UP ITEM NO. 9, AND THEN WE'LL
15 GO TO ITEM NO. 1, AND WE ALSO WANT TO ANNOUNCE
16 THAT ITEM NO. 10 HAS BEEN PULLED FROM THE
17 AGENDA.

18 SO WE'LL START WITH ITEM NO. 9, WHICH IS
19 THE UPDATE ON THE LOCAL GOVERNMENT DIVERSION
20 ASSISTANCE TEAM PLAN.

21 JUDY FRIEDMAN.

22 MS. FRIEDMAN: GOOD MORNING, CHAIRMAN
23 PENNINGTON AND BOARD MEMBERS. ASK, YOU HEARING
24 ME OKAY?

25 CHAIRMAN PENNINGTON: NO.

26 MS. FRIEDMAN: HAVE TO KIND OF BEND DOWN
27 HERE. I'LL LOOK KIND OF FUNNY.

28 MS. TOBIAS: DO YOU WANT TO TAKE IT DOWN?
29 IS THAT BETTER? JUST --

1 MR. CHANDLER: JUST SPEAK UP.

2 MS. FRIEDMAN: IS THAT BETTER?

3 TODAY WE'RE GOING TO PROVIDE AN UPDATE ON
4 THE PROGRESS OF THE PRIORITY AREA, IMPROVING
5 LOCAL GOVERNMENT PERFORMANCE AND DIVERSION.
6 YOU'VE BEEN HEARING AND SEEING PARTS OF OUR
7 PLAN IN ACTION, FOR EXAMPLE, WHEN YOU'VE ACTED
8 ON BIENNIAL REVIEWS OR WHEN YOU HEAR UPDATES ON
9 OUR TARGETED IMPLEMENTATION ASSISTANCE THAT
10 WE'VE -- EFFORTS THAT WE'VE BEEN MAKING WITH
11 LOCAL GOVERNMENT. HOWEVER, IN THIS ITEM WE'LL
12 PULL IT ALL TOGETHER FOR YOU SO YOU CAN SEE HOW
13 ALL THESE ACTIONS TAKEN TOGETHER WILL HELP US
14 ACHIEVE OUR GOALS.

15 COULD WE GET THE LIGHTS DIMMED A LITTLE
16 BIT?

17 I'D LIKE TO PROVIDE A LITTLE BIT OF
18 BACKGROUND FOR YOU ON WHAT IS A PRIORITY AREA
19 TEAM AND HOW THEY CAME ABOUT.

20 AS A RESULT OF THE BOARD'S STRATEGIC
21 PLANNING PROCESS, WHICH REALLY TOOK A COUPLE OF
22 YEARS, INVOLVING OUR CONSTITUENTS AND INVOLVING
23 COOPERATION OF MANY OF OUR PREVIOUS PLANNING
24 EFFORTS, SUCH AS OUR MARKET DEVELOPMENT PLAN,
25 OUR LOCAL ASSISTANCE PLAN AND OUR EDUCATION AND
26 COMMUNICATIONS PLAN, AS A RESULT OF THE
27 STRATEGIC PLANNING PROCESS, THERE WAS A NEED TO
28 FOCUS THE BOARD'S EFFORTS IN A FEW KEY AREAS
29 THAT NEEDED ATTENTION, AND THESE ARE THE

1 PRIORITY AREAS. THE FOUR PRIORITY AREAS ARE
2 CONSTRUCTION AND DEMOLITION, ORGANICS, FACILITY
3 COMPLIANCE AND LOCAL GOVERNMENT DIVERSION.

4 PREVIOUSLY YOU'VE HEARD UPDATES FROM THE
5 CONSTRUCTION AND DEMOLITION TEAM AS WELL AS THE
6 ORGANICS TEAM.

7 PRIORITY AREA TEAMS ARE FORMED FOR EACH
8 AREA AND ARE CROSS-DIVISIONAL. PLANS ARE
9 DEVELOPED TO ACHIEVE SPECIFIC OUTCOMES. THE
10 LGDAT TEAM OR THE LOCAL GOVERNMENT DIVERSION
11 ASSISTANCE TEAM CONSISTS OF MEMBERS FROM THE
12 WASTE PREVENTION AND MARKET DEVELOPMENT
13 DIVISION, THE PERMITTING AND ENFORCEMENT, ADMIN
14 AND FINANCE, DIVERSION PLANNING AND LOCAL
15 ASSISTANCE DIVISIONS. WE HAVE A MEMBER FROM
16 THE BOARD MEMBER OFFICE. WE HAVE OFFICE OF
17 PUBLIC AFFAIRS, AND WE HAVE A MEMBER FROM THE
18 LEGAL OFFICE. SO YOU CAN SEE THAT WE REPRESENT
19 ALL PARTS OF THE BOARD, AND WE WORK
20 CROSS-DIVISIONALLY.

21 THE PLAN IS FOCUSED ON SPECIFIC RESULTS TO
22 MEET OUR MAIN GOAL. AND WE STARTED THIS
23 PROCESS IN LATE 1997, AND -- TO DEVELOP OUR
24 PLAN, AND THIS WAS FIRST PRESENTED TO THE BOARD
25 IN MARCH, LAST MARCH.

26 SO OUR MAIN GOAL IS, WE LIKE TO SAY,
27 GETTING TO 50 PERCENT, BUT TECHNICALLY AND
28 SPECIFICALLY, IT IS ALL CALIFORNIA CITIES AND
29 COUNTIES WILL MEET OR EXCEED THE DIVERSION GOAL

1 IN THEIR IWMB, INTEGRATED WASTE MANAGEMENT
2 BOARD, APPROVED DIVERSION PLAN BY OR BEFORE
3 ESTABLISHED DEADLINES, AND WE'VE DONE THAT
4 TECHNICALLY BECAUSE, AS YOU KNOW, JURISDICTIONS
5 ARE ALLOWED TO GET REDUCED GOALS AND OTHER
6 ASPECTS UNDER THE LAW, FOR EXAMPLE, THE RURAL
7 JURISDICTIONS.

8 OUR SPECIFIC TARGETS THAT WE HAVE IN THIS
9 PLAN ARE ACCELERATED REVIEW OF ANNUAL REPORTS,
10 REDUCTION IN THE NUMBER OF JURISDICTIONS ON
11 COMPLIANCE SCHEDULES, JURISDICTIONS WILL
12 RECEIVE TOOLS AND FULL ACCESS TO BOARD'S WEB
13 SITE. JURISDICTIONS WILL IMPLEMENT APPROPRIATE
14 NEW AND/OR ENHANCED PROGRAMS RESULTING IN
15 INCREASED DIVERSION, AND JURISDICTIONS WILL BE
16 ON TRACK TO REACH DIVERSION GOALS.

17 NOW, PAT SCHIAVO WILL GO THROUGH OUR
18 PROGRESS ON THE PLAN TO DATE.

19 MR. SCHIAVO: GET ORGANIZED.

20 GOOD MORNING, BOARD MEMBERS. I'D LIKE TO
21 START OUT BY DISCUSSING, AS JUDY MENTIONED, OUR
22 PROGRESS TO DATE ON IMPLEMENTING OUR LOCAL
23 GOVERNMENT ASSISTANCE TEAM. THERE IS THREE
24 MAJOR AREAS I'D LIKE TO COVER, WHICH TIE TO THE
25 FIVE TARGETS.

26 THE FIRST IS THE DOCUMENT REVIEW AND
27 COMPLIANCE EFFORT THAT WE'RE UNDERGOING, WHICH
28 IS ESSENTIALLY OUR ANNUAL REVIEW, BIENNIAL
29 REVIEW EFFORTS, AND THIS TIES TO TARGET NOS. 1

1 AND 2. THE SECOND BULLET YOU'LL SEE HERE IS
2 TOOL AND WEB SITE DEVELOPMENT EFFORTS, AND THIS
3 TIES TO TARGET NO. 3. AND, FINALLY, THE LAST
4 BULLET IS TARGETED ASSISTANCE AND OUTREACH
5 EFFORTS, WHICH TIE TO TARGETED -- TARGETED
6 EFFORTS NO. 4 AND 5.

7 TO BEGIN WITH, I'D LIKE TO SHOW THE STATUS
8 OF WHERE WE ARE IN OUR ANNUAL REVIEW, BIENNIAL
9 REVIEW PROCESS, AND I'M GOING TO SHOW THIS IN
10 THREE DIFFERENT WAYS. THE FIRST IS DIVERSION
11 RATES ACHIEVED AND WHERE THE VARIOUS
12 JURISDICTIONS ARE TO DATE, PERFORMANCE BY TYPE
13 OF APPROVAL THAT HAVE COME BEFORE THE BOARD,
14 AND, FINALLY, WHAT OUR STATEWIDE PROGRESS IS IN
15 REVIEWING THESE DOCUMENTS.

16 TO DATE WE HAVE REVIEWED 246 JURISDICTIONS'
17 PROGRESS, AND IN THE DARK RED, AS YOU'LL SEE,
18 THOSE JURISDICTIONS THAT ARE WITHIN 25 TO 49
19 PERCENT DIVERSION COMPLIANCE REPRESENT 68
20 PERCENT OR -- OF THE POPULATION OR 170
21 JURISDICTIONS.

22 THE NEXT LARGEST CATEGORY ARE THOSE
23 JURISDICTIONS THAT HAVE MET OR EXCEEDED THE
24 50-PERCENT RATE AT THIS TIME, AND THOSE ARE 45
25 JURISDICTIONS OR 80 PERCENT -- OR 18 PERCENT OF
26 THE TOTAL POPULATION.

27 AND THEN, FINALLY, THE NEXT CATEGORY IS
28 WHAT WE'VE CONSIDERED OUR GOOD-FAITH EFFORT
29 GROUP OF JURISDICTIONS THAT ARE BELOW 25

1 PERCENT, AND THOSE ARE 13 PERCENT OF THE ENTIRE
2 POPULATION OR APPROXIMATELY 35 JURISDICTIONS.
3 AND WHILE THESE JURISDICTIONS WERE BELOW 25
4 PERCENT IN 1995, MOST OF THESE JURISDICTIONS
5 EXCEEDED THE GOAL IN 1996.

6 AND, FINALLY, WE HAVE WHAT WE CALL NOT
7 DETERMINED OR ONE PERCENTERS, AND THOSE ARE THE
8 THREE COMPLIANCE JURISDICTIONS THAT HAVE COME
9 BEFORE YOU AND THAT WILL COME BEFORE YOU AGAIN
10 ON JANUARY 27TH BOARD MEETING, AND THERE'S
11 THREE OF THOSE, WHICH REPRESENT ONE PERCENT OF
12 THE POPULATION.

13 THE NEXT -- THIS IS OUR NEXT CHART, AND
14 IT'S OUR PACK PERSON CHART, AND WHAT IT SHOWS
15 IS THE CATEGORIES OF THE JURISDICTIONS
16 APPROVALS. AND FOR THOSE JURISDICTIONS THAT
17 HAVE EXCEEDED THE 25 PERCENT GOAL, IT'S
18 APPROXIMATELY 88 PERCENT OF ALL JURISDICTIONS,
19 AND THEY'RE FULLY OR ALMOST FULLY IMPLEMENTING
20 ALL THE PROGRAMS THAT THEY STATED THAT THEY
21 WOULD IMPLEMENT IN THEIR SOURCE REDUCTION AND
22 RECYCLING ELEMENTS.

23 THE NEXT CATEGORIES ARE GOOD-FAITH EFFORT
24 JURISDICTIONS, WHICH I JUST MENTIONED, AND
25 THOSE ARE AROUND 11, 12 PERCENT OF THE TOTAL
26 JURISDICTIONS. AND THE NUMBERS ARE ROUNDED SO
27 YOU'LL SEE A LITTLE BIT OF A DIFFERENCE BECAUSE
28 OF THAT. AND, FINALLY, THE COMPLIANCE-ORDERED
29 JURISDICTIONS ARE ONE PERCENT OR, AGAIN, THREE

1 JURISDICTIONS TO DATE.

2 AND AS FAR AS OUR STATUS ON THE REVIEW
3 PROCESS, TO DATE, AS I MENTIONED, WE HAVE 246
4 JURISDICTIONS AS OF -- THAT WAS AROUND
5 DECEMBER. WE ANTICIPATE ABOUT ANOTHER 100
6 JURISDICTIONS BEING REVIEWED BY MID, END OF
7 FEBRUARY. THAT DOESN'T NECESSARILY MEAN
8 THEY'LL COME BEFORE THE BOARD, BUT THE REVIEWS
9 HAVE BEEN COMPLETED INTERNALLY.

10 WE ESTIMATE THAT WE'LL EXCEED THE
11 80-PERCENT GOAL THAT WE HAD IN THIS AREA, THAT
12 IS REVIEWING APPROXIMATELY 80 PERCENT OF ALL
13 JURISDICTIONS BIENNIAL REVIEWS BY MID-MARCH.
14 AND WE, AGAIN, ESTIMATE THAT WE'LL COMPLETE THE
15 WHOLE PROCESS BY THE END OF JUNE, AND HOPEFULLY
16 THOSE WILL ALL COME BEFORE THE BOARD AT THAT
17 TIME -- OR BETWEEN NOW AND THEN.

18 THE NEXT MAJOR CATEGORY THAT I MENTIONED IS
19 OUR TOOL AND WEB SITE DEVELOPMENT EFFORT, AND
20 WE HAVE THREE AREAS OR CATEGORIES UNDER THAT.
21 THE FIRST IS THE TOOLS THAT ARE CURRENTLY UNDER
22 DEVELOPMENT. NEXT IS OUR WEB SITE DEVELOPMENT
23 ACTIVITIES, AND THEN, FINALLY, OUR TRASH
24 CUTTERS AWARD PROGRAM.

25 TOOLS CURRENTLY UNDER DEVELOPMENT. ONE OF
26 THE FIRST THINGS THAT WE'RE DOING IS PUTTING
27 TOGETHER A COMPILATION OF ALL OF THE TOOLS THAT
28 EXIST AT THE BOARD. WE HAVE ONE THAT CURRENTLY
29 EXISTS THAT'S ON THE BOARD'S U DRIVE. WE WANT

1 TO PUT THIS INFORMATION ON OUR WEB SITE, BUT
2 WE'RE GOING TO BE CONTINUALLY UPDATING THAT
3 INFORMATION SO WE'LL HAVE A STATUS OF ALL THE
4 TOOLS THAT EXIST AT THE BOARD, WHO IS
5 RESPONSIBLE, WHEN THEY ARE GOING TO BE
6 COMPLETED AND WHAT INFORMATION EXISTS WITH
7 THOSE TOOLS, SO THAT WHEN WE PUT IT ON THE WEB
8 SITE, JURISDICTIONS WILL HAVE INFORMATION RIGHT
9 BEFORE THEM AND THAT THEY CAN USE IT MORE
10 CONVENIENTLY.

11 WE'RE ALSO, AS YOU'RE VERY AWARE, UPGRADING
12 OUR WASTE CHARACTERIZATION DATABASE. THAT'S
13 COME BEFORE YOU SEVERAL TIMES. THE PROGRESS
14 HAS BEGUN ON THAT. WE HAVE BEGUN OR WE WILL BE
15 STARTING THE PROCESS OF UPDATING THE VARIOUS
16 COST MODELS THEY HAVE THROUGHOUT THE BOARD.
17 MOST OF THOSE ARE APPROXIMATELY THREE OR FOUR
18 YEARS OLD. THEY'RE OUTDATED TECHNOLOGICALLY.
19 SO WE WANT TO UPDATE THOSE, IMPROVE THE
20 GRAPHICS, IMPROVE THE INTERFACES TO MAKE THEM
21 MORE USER-FRIENDLY FOR LOCAL JURISDICTIONS.

22 WE'RE ALSO LOOKING AT TRYING TO PROVIDE
23 CASE STUDIES TO JURISDICTIONS. WE'VE BEEN
24 GETTING SEVERAL REQUESTS FOR THAT. SO WE'LL BE
25 CONTINUING TO WORK ON THE CASE STUDIES.

26 THE NEXT ITEM I'D LIKE TO MENTION IS THE
27 WEB SITE DEVELOPMENT ACTIVITIES. FIRST STEP OF
28 THE PROCESS THERE IS WE'VE BEGUN THE PROCESS OF
29 SURVEYING WITH ALL 530 LOCAL JURISDICTIONS

1 THROUGHOUT THE STATE TO FIND OUT WHAT THE
2 STATUS OF THEIR CURRENT COMPUTER USAGE IS AND
3 FIND OUT WHAT WE CAN DO TO FACILITATE IMPROVED
4 COMMUNICATION WITH THE LOCAL JURISDICTIONS
5 THROUGH ELECTRONIC PROCESSING. THAT IS,
6 THEY'LL ALL HAVE ACCESS TO OUR WEB SITE, AND AT
7 THIS POINT IN TIME WE ANTICIPATE THAT BEING
8 COMPLETED BY THE END OF JANUARY, BEGINNING OF
9 FEBRUARY, AND THAT WILL BEGIN ANALYSIS THE
10 PROCESS. WE'VE RECEIVED 100 AND SOMETHING --
11 120 PLUS SURVEYS TO DATE SUBMITTED BY THE
12 JURISDICTIONS. WE'RE GOING TO BEGIN TELEPHONE
13 SURVEYING THEM UNTIL WE GET THEM ALL COMPLETED,
14 AND THEN WE'LL BEGIN THAT PROCESS.

15 WE ALSO PLAN ON ENHANCING THE WASTE
16 CHARACTERIZATION DATABASE ON THE WEB SITE. IT'S
17 CURRENTLY THE THIRD MOST POPULAR DATABASE OR
18 ITEM THAT WE HAVE ON THE -- THE WEB SITE. AND
19 WE'LL CONTINUE TO ENHANCE THAT AND BRING THAT
20 UP TO SPEED.

21 WE PLAN ON PUTTING ALL THE ANNUAL REPORT --
22 BIENNIAL REPORT INFORMATION UP ON THE WEB SITE
23 SO THAT JURISDICTIONS CAN TAKE A LOOK AT THE
24 PROGRESS THEY'RE MAKING RELATIVE TO OTHER
25 JURISDICTIONS THROUGHOUT THE STATE. SO THAT WE
26 BELIEVE THAT'S GOING TO BE VERY HELPFUL FOR
27 THEM.

28 FINALLY, I'D LIKE TO MENTION THE TRASH
29 CUTTERS AWARDS PROGRAM. THE FIRST YEAR OF THIS

1 PROGRAM WAS LAST YEAR. WE WORKED WITH THE
2 LOCAL GOVERNMENT TECHNICAL ADVISORY COMMITTEE
3 TO PUT THAT PROGRAM TOGETHER. THEY'RE NOW
4 DEFUNCT; HOWEVER, WE'RE STILL CARRYING THAT
5 FORWARD. WE ANTICIPATE THAT PROGRAM OR THE
6 PACKETS BEING COMPLETED BY JULY. WE'LL BRING
7 THAT FORWARD TO YOU IN THE NEXT FEW MONTHS AS
8 IT'S BEING COMPLETED.

9 THE NEXT ITEM I'D LIKE TO MENTION IS OUR
10 OUTREACH AND TARGET ASSISTANCE EFFORTS, AND
11 THESE ARE VERY CRITICAL, BUT THEY -- VERY
12 CRITICAL TO MAKING THOSE FIRST TWO ITEMS
13 NOTEWORTHY FOR LOCAL JURISDICTIONS, BECAUSE WE
14 CAN DEVELOP ALL THE TOOLS WE WANT, BUT IF WE
15 DON'T MARKET THEM AND GET THEM OUT TO
16 JURISDICTIONS, THEY'RE NOT GOING TO BE THAT
17 USEFUL.

18 WE HAVE WHAT WE CALL OUR GENERAL OUTREACH
19 ACTIVITIES, AND THEN WE ALSO HAVE OUR TARGETED
20 IMPLEMENTATION ASSISTANCE EFFORT, AND THOSE ARE
21 BOTH PREDICATED ON INTEGRATION WITH OTHER
22 DIVISIONS AND OFFICES THROUGHOUT THE
23 ORGANIZATION TO MAKE THIS A SUCCESSFUL PROGRAM.

24 THE GENERAL OUTREACH ACTIVITIES FOCUS ON
25 THOSE JURISDICTIONS THAT ARE ON THEIR WAY TO
26 MAKING 50 PERCENT; HOWEVER, THEY STILL NEED
27 SOME ASSISTANCE. IT'S NOT AS FOCUSED
28 ASSISTANCE, NOT AS LABOR INTENSIVE, BUT,
29 NEVERTHELESS, WE STILL NEED TO HAVE A PRESENCE

1 TO HELP THOSE OTHER JURISDICTIONS. THOSE STAFF
2 WORK IN CONCERT, AGAIN, LIKE -- AS I MENTIONED,
3 WITH STAFF FROM THE MARKETS DEVELOPMENT
4 DIVISION AS WELL AS PERMITS AND ENFORCEMENT AND
5 OTHER OFFICES.

6 WE HAVE WHAT WE BEGAN THIS SUMMER IS OUR
7 TARGETED IMPLEMENTATION ASSISTANCE EFFORT, AND
8 AS I MENTIONED AT THE START OF THIS SUMMER, IT
9 IS PREDICATED ON HELPING THOSE JURISDICTIONS
10 THAT ARE MOST IN NEED, JURISDICTIONS THAT WE
11 DON'T FEEL ARE ATTRACTED TO MAKING 50 PERCENT,
12 JURISDICTIONS THAT MAY BE PUT ON COMPLIANCE
13 SCHEDULES, AND WE WANT TO FOCUS OUR EFFORTS ON
14 THOSE.

15 THE WAY THAT PROCESS ACTUALLY WORKS IS WE
16 PERFORM A PRELIMINARY NEEDS ASSESSMENT, LOOK AT
17 WHAT THE DIVERSION RATES, THE AMOUNT OF
18 PROGRAMS THAT ARE BEING IMPLEMENTED. WE
19 CONTACT THE -- WE TALK WITH OTHER STAFF WITH --
20 THROUGHOUT THE BOARD TO FIND OUT THE STATUS OF
21 THOSE JURISDICTIONS. WE CONTACT THE
22 JURISDICTION. AND ONCE WE MAKE CONTACT, WE
23 FIND OUT DO THEY HAVE A WILLINGNESS TO WORK
24 WITH US. IF THEY DON'T HAVE THAT WILLINGNESS,
25 THEN THEY'RE GOING TO BE DROPPED OUT OF THE
26 PROGRAM.

27 TO DATE WE HAVEN'T FOUND ANY JURISDICTIONS
28 NOT WILLING TO WORK WITH US. IN FACT, MOST HAVE
29 BEEN EMBRACING THIS EFFORT, AND WORD-OF-MOUTH

1 IS GETTING AROUND, AND WE'RE STARTING TO GET
2 MORE REQUESTS FOR THIS TYPE OF ASSISTANCE.

3 SO ONCE WE BEGIN THE NEEDS ASSESSMENT
4 PROCESS, WHICH HAS BEGUN FOR 29 JURISDICTIONS
5 TO DATE, THOSE REPRESENT JURISDICTIONS IN
6 NORTHERN CALIFORNIA -- NORTHERN CALIFORNIA AS
7 WELL AS SOUTHERN CALIFORNIA. SOME OF THE
8 COUNTIES THAT ARE BEING PROVIDED THIS SERVICE
9 INCLUDE THOSE IN CONTRA COSTA, MONTEREY, SANTA
10 CRUZ, ORANGE COUNTY, TULARE, TEHAMA, SHASTA.
11 THOSE ARE SOME OF THE COUNTIES AND
12 JURISDICTIONS WITHIN THE COUNTIES.

13 TO DATE WE HAVE 24 JURISDICTIONS THAT HAVE
14 NEEDS ASSESSMENTS THAT HAVE BEEN COMPLETED, AND
15 WE HAVE 22 JURISDICTIONS WHICH HAVE INTERNAL
16 COORDINATION WORK PLANS COMPLETED. AND WHAT AN
17 INTERNAL COORDINATION WORK PLAN IS IS AN
18 AGREEMENT WITHIN STAFF OF DIFFERENT DIVISIONS
19 AND OFFICES THROUGHOUT THE BOARD THAT THEY'RE
20 GOING TO PROVIDE US WITH CERTAIN LEVELS OF
21 ASSISTANCE, THE AMOUNT OF ASSISTANCE THAT'S
22 GOING TO BE AND BY WHAT TIME FRAME.

23 WE ALSO HAVE SEVEN JURISDICTIONS WHICH HAVE
24 PLANS THAT ARE SIGNED. AND WHAT A SIGNED PLAN
25 IS, IT'S A COMMITMENT BETWEEN A JURISDICTION
26 AND OUR STAFF THAT WE'RE GOING TO COMMIT TO
27 MEETING CERTAIN MILESTONES BY CERTAIN DATES TO
28 GET THROUGH THIS PROCESS. SO AS I MENTIONED,
29 THERE'S SEVEN ON LINE RIGHT NOW. THERE'S 17 ON

1 TARGET TO BE SIGNED BY THIS FEBRUARY, SO -- AND
2 WE'RE PRETTY CONFIDENT THAT THAT WILL OCCUR AT
3 THAT POINT IN TIME. WE ALSO ANTICIPATE THAT
4 WE'LL HAVE 60 ADDITIONAL JURISDICTIONS ON LINE
5 WITHIN THE NEXT SIX TO NINE MONTHS.

6 THE NEXT STEP IN OUR PROCESS, AS I
7 MENTIONED EARLIER, IS 80 PERCENT OF THE
8 BIENNIAL REVIEWS WILL BE COMPLETED BY MARCH OF
9 1999, AND, AGAIN, I FEEL PRETTY CONFIDENT THAT
10 WE'RE ON THE MARK ON -- ON THAT PARTICULAR
11 ITEM.

12 WE'RE GOING TO CONTINUE TO ACTIVELY MONITOR
13 THE JURISDICTIONS ON COMPLIANCE SCHEDULES.
14 AGAIN, YOU'RE GOING TO HAVE THREE COMPLIANCE
15 SCHEDULES COMING FORWARD AT THE JANUARY 27TH
16 MEETING. AND WITHIN THOSE COMPLIANCE SCHEDULES
17 ARE LINE ITEMS THAT THE JURISDICTIONS MUST WORK
18 WITH OUR TARGETED IMPLEMENTATION ASSISTANCE
19 STAFF TO GET PROGRAMS ON LINE.

20 WE'RE GOING TO COMPLETE OUR STATUS SURVEY
21 OF JURISDICTIONS' WEB ACCESS ABILITIES, AND
22 WE'RE GOING TO HAVE THAT DONE BY THE END OF
23 JANUARY, BEGINNING OF FEBRUARY. WE'RE GOING TO
24 CONTINUE TO ENHANCE OUR WEB SITE, AS I
25 MENTIONED, THE VARIOUS ITEMS THAT WE'RE PUTTING
26 ON THE WEB SITE. AND, AGAIN, AS I JUST
27 MENTIONED, WE'RE GOING TO HAVE 60 TARGETED
28 IMPLEMENTATION ASSISTANCE JURISDICTIONS ON LINE
29 IN THE NEXT SIX TO NINE MONTHS. AND THOSE ARE

1 GOING TO REPRESENT JURISDICTIONS THROUGHOUT THE
2 STATE. WE'RE GOING TO TRY TO KEEP THEM
3 GEOGRAPHICALLY DISPERSED.

4 THAT PRETTY MUCH CONCLUDES MY PRESENTATION
5 AS FAR AS OUR PROGRESS TO DATE. ARE THERE ANY
6 QUESTIONS?

7 CHAIRMAN PENNINGTON: QUESTIONS.

8 OKAY. I THINK YOU MUST HAVE GIVEN -- MR.
9 CHANDLER.

10 MR. CHANDLER: NO QUESTIONS. LET ME JUST
11 MAKE A -- A FOOTNOTE OR UNDERSCORE, MY DESIRE
12 AND WHY I STRESS SO STRONGLY TO BOTH JUDY AND
13 PAT TO GIVE A COMPREHENSIVE OVERVIEW.

14 I THINK FOR NEW MEMBERS TO THE BOARD AND
15 NEW MEMBERS THAT WILL SOON BE COMING TO THE
16 BOARD, I THINK IT'S VERY IMPORTANT THAT YOU
17 HAVE A GOOD UNDERSTANDING OF NOT ONLY THE
18 UNDERLYING POLICIES, BUT THE PRIORITIES THAT
19 THIS BOARD AND ITS PREDECESSOR MAKEUP HAS
20 DETERMINED, WHERE WE SHOULD PLACE OUR EMPHASIS,
21 OUR RESOURCES, OUR PRIORITIES.

22 CLEARLY, ALL OF THE ITEMS THAT YOU SEE COME
23 BEFORE YOU ON AN INCREMENTAL BASIS MONTH BY
24 MONTH ARE BITS AND PIECES OF ESSENTIALLY
25 IMPLEMENTING THESE PLANS. SO IT'S MY DESIRE TO
26 ENSURE THAT YOU HAVE ENOUGH CONTEXT AND
27 UNDERSTANDING OF THE OVERARCHING OBJECTIVES OF
28 THESE PRIORITY AREAS AS WELL AS AN OPPORTUNITY
29 TO REVISIT SOME OF THE UNDERLYING POLICIES,

1 SHOULD YOU WISH TO FURTHER CLARIFY OR
2 UNDERSTAND THOSE POLICIES IN A WAY THAT
3 REPRESENT THE BOARD'S CURRENT THINKING.

4 SO I WOULD APPRECIATE ANY FEEDBACK, EITHER
5 DIRECTLY TO THE PRIORITY TEAM LEADERS, IN THIS
6 CASE JUDY FRIEDMAN, OR MY OFFICE ON ANYTHING WE
7 CAN DO TO MAKE THESE PRESENTATIONS, THESE
8 INFORMATIONAL ITEMS AS BENEFICIAL TO YOU AS
9 POSSIBLE SO THAT YOU HAVE A GOOD CONTEXT AND
10 UNDERSTANDING OF WHERE WE'RE HEADED IN THESE
11 PRIORITY AREAS, AND, THEREFORE, A BETTER
12 UNDERSTANDING AS WELL OF THE INCREMENTAL
13 CONTRACTS OR INITIATIVES THAT STAFF BRING
14 FORWARD ON A MONTH-BY-MONTH BASIS THAT MAKE UP
15 THE IMPLEMENTATION OF THESE PROGRAMS.

16 THANK YOU.

17 CHAIRMAN PENNINGTON: MR. JONES.

18 MR. JONES: I JUST WANT TO ASK ONE QUESTION
19 JUST FOR SOME CLARIFICATION.

20 ON THE COMPLIANCE PLAN, ON THE WORK-OUT
21 PLAN, THAT'S NOT -- WHEN THE SRE'S WERE
22 SUBMITTED, THAT WAS THE CITY'S BLUEPRINT TO GET
23 TO THE -- SEE THE MANDATE. AND DURING THEIR
24 PROCESS, THEY HAD AN OPPORTUNITY TO AMEND THAT
25 SRE AT SOME POINT DURING THE -- FROM START TO
26 NOW. IT'S THEN, IF -- THEY GO UNDER A
27 COMPLIANCE SCHEDULE, ALL WE'RE DOING IS USING
28 THEIR EXISTING DOCUMENT THAT THEY GENERATED AND
29 PUTTING TIME LINES OR -- YOU KNOW, WE'RE NOT

1 CHANGING ANY CONDITIONS THAT THEY DIDN'T
2 ALREADY PUT DOWN, THAT THIS WAS THEIR ROAD MAP,
3 THIS WAS THE PROGRAMS THEY WERE GOING TO DO.
4 AND WE SET OUT, YOU NEED TO DO THESE THINGS
5 THAT YOU SAID YOU WOULD DO, AND YOU NEED TO
6 HAVE THEM DONE BY THIS PERIOD OF TIME. AND
7 THAT'S THE -- YOU KNOW, WE'RE GIVING THEM A
8 LONG PERIOD OF TIME TO ACHIEVE IT. IF THEY
9 ACHIEVE IT QUICKER THAN THAT, THEY'VE --
10 THEY'RE IN COMPLIANCE AT THAT POINT. BUT THEY
11 HAVE THE OPPORTUNITY TO TAKE LONGER TO KIND OF
12 FEATHER THOSE PROGRAMS IN IF THEY HAVEN'T
13 ALREADY DONE OR IMPROVE THEM THE WAY THEY NEED
14 TO. THAT'S THE WAY I UNDERSTAND IT. IS THAT
15 PRETTY -- PRETTY CLOSE?

16 MR. CHANDLER: THAT'S REAL CLOSE. THAT'S
17 HOW WE TREATED IT TO DATE.

18 MR. JONES: ALL RIGHT.

19 CHAIRMAN PENNINGTON: ANY FURTHER
20 QUESTIONS?

21 THANK YOU. THAT WAS OBVIOUSLY A GOOD
22 REPORT, IF NO QUESTIONS.

23 OKAY. WE'LL MOVE TO ITEM NO. 1,
24 CONSIDERATION OF THE APPROVAL OF A RECYCLING
25 MARKET DEVELOPMENT REVOLVING LOAN PROGRAM
26 APPLICATION FOR GWS NURSERY AND SUPPLIES.

27 CAREN TRGOVCICH?

28 MS. TRGOVCICH: GOOD MORNING, CHAIRMAN
29 PENNINGTON AND MEMBERS. I'M CAREN TRGOVCICH,

1 DEPUTY DIRECTOR OF THE WASTE PREVENTION AND
2 MARKET DEVELOPMENT DIVISION.

3 BEFORE WE GO SPECIFICALLY INTO THE LOAN FOR
4 GWS THAT'S BEFORE YOU, I'M GOING TO PROVIDE YOU
5 WITH SOME BRIEF PROGRAM FIGURES.

6 BASICALLY THE FUNDS FOR THE RECYCLING
7 MARKET DEVELOPMENT LOAN PROGRAM ARE
8 APPROPRIATED ON A CONTINUOUS BASIS NOW.
9 BEGINNING IN THE EARLY '90S, THEY WERE
10 APPROPRIATED ON AN ANNUAL BASIS IN THE BUDGET
11 CYCLE.

12 THE BOARD ESTABLISHED TWO SEPARATE
13 PROCESSES FOR THE APPROVAL OF LOANS UNDER THIS
14 PROGRAM, LOANS THAT ARE -- MAKE FUNDING
15 AVAILABLE FOR RECYCLING-BASED BUSINESSES. THE
16 FIRST PROCESS WAS THE DETERMINATION OF
17 ELIGIBILITY CRITERIA. THE BOARD HAS THAT
18 POLICY-SETTING RULE AND EACH YEAR ADOPTS
19 ELIGIBILITY CRITERIA FOR THE PROGRAM. SO NO
20 LOANS CAN MOVE THROUGH THIS PROGRAM UNLESS THEY
21 MEET THOSE BOARD-ADOPTED CRITERIA.

22 SECONDLY, THE BOARD APPOINTS A LOAN
23 COMMITTEE, AND THE PURPOSE OF THE LOAN
24 COMMITTEE IS TO, THEREFORE, LOOK AT THE CREDIT
25 ELEMENTS OF EACH LOAN APPLICATION. WHEN THESE
26 TWO PIECES ARE TOGETHER AND A LOAN OR A
27 BORROWER -- POTENTIAL BORROWER HAS MET THE
28 ELIGIBILITY CRITERIA AND HAS BEEN MOVED THROUGH
29 THE LOAN COMMITTEE AND HAS SUCCESSFULLY

1 ACHIEVED THE CREDIT REQUIREMENTS OF OUR LOAN
2 COMMITTEE, WE BRING THE APPLICATION FORWARD TO
3 THE BOARD FOR APPROVAL.

4 IN SUMMARY, THERE HAVE BEEN APPROXIMATELY
5 OR EXACTLY 66 LOANS THAT HAVE BEEN FUNDED TO
6 DATE OUT OF THIS PROGRAM FOR A TOTAL OF \$26.5
7 MILLION. YOU APPROVED THREE ADDITIONAL LOANS
8 AT YOUR DECEMBER MEETING FOR A TOTAL OF \$2.3
9 MILLION. WE HAVE ONE LOAN BEFORE YOU TODAY FOR
10 A TOTAL OF \$200,000, AND YOU HAVE TWO ALREADY
11 SET FOR YOUR FEBRUARY AGENDA FOR ANOTHER \$2
12 MILLION. SO ALTOGETHER IN THE PAST, OVER A
13 FOUR-MONTH PERIOD, WE ARE SEEING THE
14 SUB-ACCOUNT BEING DRAWN DOWN BY FOUR AND A HALF
15 MILLION DOLLARS, AND WE HAVE OVER \$10 MILLION
16 WORTH OF LOANS IN THE PIPELINE THAT WE WILL BE
17 BRINGING FORWARD TO YOU AT SOME POINT OVER THE
18 NEXT 10 TO 12 MONTHS.

19 WITH THAT, I'D LIKE TO TURN OVER THE
20 PRESENTATION SPECIFICALLY FOR GWS TO JIM LA
21 TANNER, WHO IS THE MANAGER OF THE LOAN PROGRAM.

22 MR. LA TANNER: GOOD MORNING. MY NAME IS
23 JIM LA TANNER, AS CAREN MENTIONED, MANAGER OF
24 THE RECYCLING MARKET DEVELOPMENT REVOLVING LOAN
25 PROGRAM, AND I'M READY TO PRESENT GWS NURSERY
26 AND SUPPLY, INC., HAS APPLIED TO THE BOARD FOR
27 A LOAN. STAFF MEMBER DON TSUKIMURA DID THE
28 ANALYSIS ON THIS AND BROUGHT IT TO LOAN
29 COMMITTEE.

1 IN BRIEF SUMMARY, THEY ARE LOCATED IN LOS
2 ANGELES COUNTY RMDZ. THEY'RE REQUESTING A
3 \$200,000 LOAN FROM US, AND THEY'RE COMING UP
4 WITH AN ADDITIONAL 200,000 TO COMPLETE THE
5 PROJECT. THE COMPANY BEGAN IN 1983. THEY HAVE
6 BEEN PROFITABLE EVERY YEAR SINCE THEN UP TO
7 DATE AND CURRENTLY ARE TRYING TO EXPAND.

8 GWS OPERATES A CHIPPING AND GRINDING
9 FACILITY AND RECYCLES SCRAP WOOD AND GREEN
10 WASTE INTO WOOD CHIPS THAT ARE PRIMARILY USED
11 BY NURSERIES. THEY HAVE CURRENT EQUIPMENT
12 RIGHT NOW THAT IS ANTIQUATED, OUTDATED AND
13 SMALL, AND TO EXPAND FURTHER THEY ARE PROPOSING
14 TO PURCHASE A 1988 PREMIER MODEL TUG GRINDER
15 AND A TRAILER USED FOR HAULING PRODUCTS TO
16 THIS. IT'S A BRAND NEW PIECE OF EQUIPMENT.

17 AT THE LOAN COMMITTEE INITIALLY WE WROTE IT
18 FOR A SEVEN-YEAR PERIOD. THE BORROWER
19 SUBSEQUENTLY REQUESTED A TEN-YEAR AMORTIZATION.
20 THAT WAS APPROVED BY THE LOAN COMMITTEE AT TEN
21 YEARS. THERE WAS SOME QUESTION AS TO THE
22 USEFUL LIFE OF THE EQUIPMENT. IT'S SOMEWHERE
23 BETWEEN SEVEN AND TEN BEING NEW. WE'RE GOING
24 TO LEAN TOWARD TEN YEARS, BECAUSE THERE'S OTHER
25 EQUIPMENT THAT'S BEING PROVIDED AS COLLATERAL,
26 AND THERE'S EXISTING CASH FLOW TO REPAY THE
27 LOAN ON TOP OF THAT.

28 WITH THAT PRESENTATION, ARE THERE ANY
29 QUESTIONS?

1 CHAIRMAN PENNINGTON: QUESTIONS?

2 OKAY. IF NOT, I'LL ENTERTAIN A MOTION.

3 MR. JONES: MR. CHAIRMAN --

4 CHAIRMAN PENNINGTON: YES, MR. JONES.

5 MR. JONES: -- I WOULD LIKE TO MAKE A

6 MOTION THAT WE ADOPT RESOLUTION 1999-11

7 AWARDING THE RECYCLING MARKET DEVELOPMENT LOAN

8 TO GWS NURSERY.

9 MR. FRAZEE: I'LL SECOND.

10 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN

11 MOVED BY MR. JONES AND SECONDED BY MR. FRAZEE

12 THAT THE ADOPTION OF RESOLUTION 1999-11.

13 ANY FURTHER DISCUSSION?

14 IF NOT, WILL THE SECRETARY CALL THE ROLL,

15 PLEASE.

16 MS. KELLY: BOARD MEMBER EATON?

17 MR. EATON: AYE.

18 MS. KELLY: FRAZEE?

19 MR. FRAZEE: AYE.

20 MS. KELLY: JONES?

21 MR. JONES: AYE.

22 MS. KELLY: ROBERTI?

23 MR. ROBERTI: AYE.

24 MS. KELLY: CHAIRMAN PENNINGTON?

25 CHAIRMAN PENNINGTON: AYE.

26 MOTION CARRIES.

27 GO TO ITEM NO. 2.

28 MR. EATON: MR. CHAIR, I FORGOT ONE EX

29 PARTE, AS WE GO. I ALSO GOT A COMMUNICATION

1 FROM T & L ASSOCIATES REGARDING RBC. IT DIDN'T
2 AFFECT ANYTHING IN THE LAST MATTER.

3 CHAIRMAN PENNINGTON: OKAY.

4 MR. EATON: T & L ASSOCIATES.

5 CHAIRMAN PENNINGTON: OKAY. ITEM NO. 2,
6 STATUS OF DEFAULTED RECYCLING MARKET LOAN FOR
7 TIGON INDUSTRIES AND CONSIDERATION OF OPTIONS
8 FOR REMEDIATION OF THE TIRE PILE AT THE TIGON
9 INDUSTRIES WASTE TIRE SITE OF RIVERSIDE COUNTY.

10 CAREN TRGOVCICH.

11 MS. TRGOVCICH: THANK YOU, AGAIN, CHAIRMAN
12 PENNINGTON.

13 UNLIKE THE LAST ITEM, THIS ITEM IS AN ITEM
14 WHERE WE ARE COMING FORWARD SEEKING YOUR
15 APPROVAL TO CLEAN UP THE -- A FACILITY THAT
16 WE'VE TAKEN POSSESSION OF THROUGH A FORECLOSURE
17 ACTION.

18 YOU HEARD ME IN THE LAST ITEM BRIEFLY
19 SUMMARIZE THE PORTFOLIO. WHAT I'D NOW LIKE TO
20 TELL YOU IS THAT WITHIN THAT PORTFOLIO OF 66
21 LOANS, AND MOST OF YOU ARE AWARE THAT SEVERAL
22 YEARS AGO WE SOLD 17 OF THOSE LOANS, ALTHOUGH
23 WE CONTINUE TO TRACK THEIR PERFORMANCE, BECAUSE
24 THE AMOUNT OF FUNDS THAT GET RETURNED TO US
25 THROUGH THAT SALE ARE BASED UPON THOSE LOANS'
26 PERFORMANCE.

27 BUT WITHIN THAT PORTFOLIO, APPROXIMATELY
28 TEN PERCENT OF OUR LOANS AT ALL TIMES ARE IN
29 SOME STAGE OF WORK-OUT. WHAT THAT MEANS IS THAT

1 THE BORROWER HAS EXPERIENCED SOME FORM OF
2 FINANCIAL OR OTHER DIFFICULTY, AND WE, AS ANY
3 OTHER LENDER, WORK WITH THE BORROWER TO ENSURE
4 STABILITY AND CONTINUITY IN TERMS OF THE
5 PAYMENTS.

6 ON OCCASION WE EXPERIENCE A SITUATION WHERE
7 WE MUST MOVE THROUGH SOME FORM OF FORECLOSURE.
8 YOU'RE AWARE THAT WE HAVE UNDERTAKEN IN THE
9 PAST YEAR FORECLOSURE ACTION. WE HAVE ALSO
10 PROCEEDED TO CALL IN A LOAN DUE TO PERSONAL AND
11 CORPORATE BANKRUPTCY ON ANOTHER LOAN.

12 THIS LOAN THAT'S COMING BEFORE YOU TODAY
13 HAS CERTAINLY BEEN A LOAN THAT WE'VE SPENT MANY
14 YEARS WORKING WITH THE BORROWER ON, TRYING TO
15 BRING IN NEW INVESTORS TO KEEP THIS SITE GOING.

16 THIS IS A TIRE LOAN. THIS LOAN WAS MADE
17 BACK IN 1993, WHEN THE BOARD ALLOCATED \$1
18 MILLION FROM THE TIRE FUND IN ITS ANNUAL
19 ALLOCATION CYCLE TO BE MADE AVAILABLE FOR TIRE
20 RECYCLING BUSINESSES.

21 TIGON WAS ONE OF THOSE BUSINESSES THAT CAME
22 FORWARD AND WAS SUCCESSFULLY AWARDED A LOAN
23 UNDER THIS PROGRAM. WE HAVE BEEN WORKING WITH
24 THE PRINCIPALS IN TIGON SINCE LATE 1994 TO
25 IDENTIFY OTHER INVESTORS, TO WORK WITH THEM ON
26 RESTRUCTURING OPTIONS THAT WOULD ENABLE THEM
27 TO, ONE, CONTINUE THE BUSINESS, BUT MORE
28 IMPORTANT FROM OUR PERSPECTIVE, TO RETAIN THE
29 CAPACITY IN THE SOUTHERN CALIFORNIA REGION FOR

1 CRUM. THAT WAS OUR KEY INTEREST AS WELL AS OUR
2 FINANCIAL INTEREST IN THIS SITE.

3 BECAUSE THE INVESTOR OPTIONS HAVE NOT BEEN
4 SUCCESSFUL TO DATE, WE'VE WORKED WITH OVER
5 THREE, THE MOST RECENT ONE WHICH FAILED IN
6 EARLY SPRING OF THIS YEAR. WE THEN PROCEEDED
7 WITH OUR FORECLOSURE ACTION. THIS SITE WAS ALSO
8 HELD UP THROUGH A SUBSEQUENT BANKRUPTCY FILING,
9 WHICH YOU'LL ALSO HEAR ABOUT AS WELL.

10 THIS IS A UNIQUE SITUATION THAT'S BEING
11 BROUGHT BEFORE YOU, BECAUSE THIS IS THE FIRST
12 TIME THAT WE'VE EXPERIENCED A CLEANUP WITHIN
13 ANY OF OUR LOAN SITES. SO THIS IS A FIRST TIME
14 FOR US AS WELL, AND WE'VE BEEN WORKING CLOSELY
15 WITH THE STAFF OF THE PERMITTING ENFORCEMENT
16 DIVISION AS WELL AS THE DEPARTMENT OF GENERAL
17 SERVICES, BECAUSE WE NOW HAVE POSSESSION OF
18 THIS SITE, AS YOU WILL HEAR, IN TERMS OF HOW TO
19 PROCEED.

20 THIS WILL BE A JOINT PRESENTATION BY JIM LA
21 TANNER, WHO JUST MADE THE PRESENTATION TO YOU
22 ON THE PRIOR LOAN AS WELL AS ALBERT JOHNSON
23 FROM THE PERMITTING ENFORCEMENT DIVISION.

24 MR. LA TANNER: GOOD MORNING AGAIN. JIM LA
25 TANNER FOR THE RECORD.

26 TO EXPAND A LITTLE BIT UPON THAT, THE TIGON
27 INDUSTRIES, INC., LOAN WAS APPROVED AND FUNDED
28 IN DECEMBER '93. TIGON WAS A START-UP
29 OPERATION OPERATING A GROUND RUBBER

1 MANUFACTURING PLANT. THINK STOCK WAS TO COME
2 FROM LANDFILLS WITHIN THE SIX ADJOINING
3 COUNTIES. THE END PRODUCT WAS GROUND RUBBER TO
4 BE USED AS CRUM RUBBER MODIFIER IN ASPHALT,
5 PAVEMENT MATERIALS TO BE SOLD TO WHOLESALERS
6 SUPPLIERS, ULTIMATELY TO CALTRANS.

7 UNFORTUNATELY, WITH THE MANAGEMENT OF
8 TIGON, THAT NEVER MATERIALIZED. THE LOAN
9 PROCEEDS WERE ORIGINALLY \$500,000, WENT TO
10 PURCHASE TIRE GRINDING MACHINERY AND EQUIPMENT
11 OF 250,000, LAND AND BUILDING OF 250,000. IN
12 ADDITION, THE LOAN WAS PERSONALLY GUARANTEED BY
13 CHARLES O. STONER, PRESIDENT OF TIGON, AND HIS
14 WIFE DEBRA, WHO GAVE A DEED OF TRUST ON THEIR
15 PRIMARY RESIDENCE AND ALSO ON FOUR LOTS.

16 THE LOAN IS CURRENTLY COLLATERALIZED. THE
17 BOARD NOW OWNS THE BUSINESS PROPERTY AND
18 EQUIPMENT IN RIVERSIDE ON PLACENTIA LANE.
19 THERE'S A DECEMBER '97 APPRAISAL ON THAT AT
20 302,000. HOWEVER, THE CURRENT VALUE WAS LESS.
21 WE ALSO HOLD A FIRST UCC FINANCING STATEMENT ON
22 ALL THE EQUIPMENT WHICH IS ALL ON-SITE AND HAS
23 BEEN CONFIRMED AND INVENTORIED.

24 WE HOLD A SECOND DEED OF TRUST ON HIS
25 PRIMARY RESIDENCE. THE FIRST MORTGAGE IS ABOUT
26 23,000. HE HAS FILED BANKRUPTCY CHAPTER 7. WE
27 HOPE FOR A RELIEF OF STAY PROBABLY IN MARCH OR
28 APRIL. WE ALSO HOLD A FIRST DEED OF TRUST ON
29 FOUR RESIDENTIAL LOTS THAT ARE UNDEVELOPED.

1 THEY HAVE AN APPRAISED VALUE OF 133,000.

2 LOAN COLLECTION EFFORTS. HE DID MAKE
3 PAYMENTS FOR PART OF THE FIRST YEAR OF THE
4 LOAN, THEN CEASED MAKING PAYMENTS. HIS COMMENT
5 AS TO WHY IS BECAUSE THE BUSINESS WAS NOT
6 PROFITABLE, THAT WITH HIGH OVERHEAD.

7 THE CURRENT STATUS OF THE PROPERTY. THE
8 SITE IS SECURED BY A FENCE. WE HAVE A 24-HOUR
9 GUARD OUT THERE. THE GUARD IS SUCCESSFUL IN
10 PREVENTING ADDITIONAL TIRE DUMPING. I WAS OUT
11 THERE LAST NIGHT. THERE'S BEEN NO ADDITION TO
12 THAT. THE DAYTIME GUARD DOES ROUTINELY TURN
13 PEOPLE AWAY THAT COME TO TIGON TO TRY AND SELL
14 TIRES TO THEM OR DUMP THEM.

15 AS FOR THAT, THE NEXT STEP IS ALBERT
16 JOHNSON FOR P & E WILL DISCUSS THE OPTIONS FOR
17 CLEANING UP THE SITE.

18 MR. EATON: COULD I ASK A QUESTION WITH
19 REGARD TO YOUR PRESENTATION?

20 MR. LA TANNER: YES.

21 MR. EATON: YOU MENTIONED THAT THE LOAN
22 ORIGINALLY WAS 250,000 FOR BUILDING AND LAND
23 AND 250,000 FOR MACHINERY AND EQUIPMENT?

24 MR. LA TANNER: CORRECT.

25 MR. EATON: I NOTICE IN THE LOAN COLLATERAL
26 OR WHAT'S OUT THERE, WHERE IS THE GRINDING
27 MACHINERY AND EQUIPMENT? IS THAT PART OF WHAT
28 OUR ASSETS ARE?

29 MR. LA TANNER: WE HAVE A DECEMBER '97

1 APPRAISAL OF 55,000, WHICH INCLUDES THE TIRE
2 GRINDING AND SHREDDING EQUIPMENT, THE
3 FORKLIFTS, THE OFFICE FURNITURE AND EVERYTHING
4 ON-SITE.

5 MR. EATON: BUT IS THAT THE EQUIPMENT THAT
6 WE PURCHASED WITH THE ORIGINAL LOAN?

7 MR. LA TANNER: YES, IT IS.

8 MR. EATON: OKAY. THAT'S WHAT I'M ASKING.

9 MR. LA TANNER: YES, IT IS. RIGHT.

10 MR. JOHNSON: GOOD MORNING, MR. CHAIRMAN
11 AND MEMBERS OF THE BOARD. MY NAME IS ALBERT
12 JOHNSON. I WORK IN THE WASTE TIRE
13 STABILIZATION AND ABATEMENT PROGRAM.

14 WE'RE RECOMMENDING THAT THE BOARD APPROVE
15 OPTION 1, WHICH IS UTILIZING OUR EXISTING
16 CONTRACT WITH SUKI CONSTRUCTION COMPANY UNDER
17 THE WASTE TIRE STABILIZATION ABATEMENT PROGRAMS
18 EAGLE LEGAL TIRE SERVICE CONTRACT.

19 BY USING OUR EXISTING CONTRACTOR, WE CAN
20 GET OUT THERE IMMEDIATELY AND BEGIN THE CLEANUP
21 WORK AT THE SITE. IF YOU CHOOSE OPTION 2,
22 USING THE RMDZ LOAN PROGRAM FUNDING, IN THEIR
23 HIRING OF A CONTRACTOR, IT WILL DELAY THE
24 PROJECT SEVERAL MONTHS WHILE THEY GO OUT WITH A
25 REQUEST FOR A PROPOSAL TO PROCURE THAT
26 CONTRACTOR.

27 WITH THE WASTE TIRE STABILIZATION PROGRAM,
28 CLEANING UP THE SITE UNDER OPTION 1, WE FEEL
29 THAT WE CAN HAVE THE SITE CLEANED UP AND READY

1 FOR SALE BY THE END OF FEBRUARY. THE CLEANUP
2 WORK SHOULD TAKE ABOUT 30 DAYS. AND SINCE WE
3 CAN START, YOU KNOW, POTENTIALLY NEXT WEEK, IT
4 SHOULD GO RELATIVELY QUICK.

5 AND, ADDITIONALLY, OUR ORIGINAL COST
6 ESTIMATE WAS ABOUT \$241,000 FOR THE CLEANUP.
7 HOWEVER, SINCE WRITING THE AGENDA ITEM, WE HAVE
8 PUT THE SITE OUT TO BID. WE NOW HAVE A CLEANUP
9 COST OF ABOUT \$194,650 FOR REMOVAL OF ALL THE
10 TIRES AND ALL THE SOLID WASTE THAT'S ON-SITE.
11 THAT ESTIMATE IS BASED ON 200,000 TIRES BEING
12 ON-SITE OF WHICH IS THE HIGHER END OF OUR --
13 THE RANGE OF THE ESTIMATE THAT WE HAVE IN THE
14 AGENDA ITEM. SO THE POTENTIAL EXISTS THAT IT
15 COULD COME IN A BIT CHEAPER.

16 WITH THAT, IF YOU HAVE ANY QUESTIONS, I'D
17 BE HAPPY TO ANSWER THEM.

18 MR. EATON: WHERE ARE THE TIRES GOING TO
19 GO? WILL WE BE GETTING BENEFICIAL USE OUT OF
20 WHAT WE CLEAN UP?

21 MR. JOHNSON: YEAH. THE -- WITH THE BID
22 THERE'S 25 PERCENT THAT ARE GOING TO GO TO CAL
23 PORTLAND CEMENT FOR -- TO BE BURNED, RECYCLED,
24 AND THE REMAINDER WOULD GO TO THE LANDFILL FOR
25 DISPOSAL.

26 HOWEVER, THE POSSIBILITY EXISTS THAT
27 GREATER THAN 25 PERCENT WILL GO FOR RECYCLING
28 AT THE CEMENT KILN, BUT THEY HAVE A LIMITATION
29 THAT THEY COULD ONLY TAKE ABOUT 35 TONS PER DAY

1 THERE, MAXIMUM.

2 MR. EATON: THIS IS PROBABLY NOT A QUESTION
3 FOR YOU, BUT WE'VE KNOWN ABOUT THIS SINCE ABOUT
4 1994, CORRECT --

5 MR. JOHNSON: YEAH. YEAH.

6 MR. EATON: -- THEY'VE HAD A PROBLEM WITH
7 THEIR LOAN.

8 CAN YOU GIVE ME ANY IDEA OR PERHAPS HOW
9 LONG -- HOW MANY TIRES DID THEY START TAKING IN
10 SUBSEQUENT TO THE FIRST TIME WE KNEW THAT THEY
11 WERE HAVING PROBLEMS? DO YOU UNDERSTAND THE
12 QUESTION?

13 FOR INSTANCE, IF WE KNEW IN 1994, AND THEN
14 WE KNEW IN 1995, DID THEY CONTINUE TO TAKE IN
15 TIRES DURING THAT TIME?

16 MR. JOHNSON: YEAH, I THINK THEY DID.
17 HOWEVER, THE TIRES -- GO AHEAD.

18 MR. EATON: AND THE REASON WHY I'M LEADING
19 IT, IS THERE ANY NEED IN THE FUTURE TO AVOID
20 THIS PROBLEM, THAT WE HAVE SOMETHING IN EITHER
21 OUR CONTRACT OR OUR LOAN DOCUMENTATION THAT
22 SAYS, YOU KNOW, IF X, Y OR Z HAPPENED, THEN YOU
23 CANNOT CONTINUE TO TAKE IN THIS?

24 BECAUSE, IN ESSENCE, WE'RE KIND OF -- IT
25 SEEMS LIKE IF THEY CONTINUE TO TAKE TIRES IN
26 AFTER WE FIRST KNEW -- EVEN GIVEN, YOU KNOW,
27 SIX MONTHS OR A YEAR, YOU KIND OF KNOW, BUT,
28 YOU KNOW, WE'RE TALKING SEVERAL YEARS
29 THEREAFTER. WHO KNOWS HOW MANY TIRES

1 ACCUMULATED SUBSEQUENT TO THAT. AND IS THERE
2 ANYTHING WE CAN DO TO PREVENT OR REMEDY THAT
3 SITUATION IN THE FUTURE? OBVIOUSLY, THIS IS THE
4 SITUATION THAT OCCURRED NOW, BUT WE SHOULD
5 LEARN FROM WHAT WE HAVE NOW.

6 MS. TRGOVCICH: BECAUSE WE FIRST PROCEEDED
7 BACK IN 1994 TO BEGIN TO WORK WITH THIS
8 COMPANY, THEY STILL REMAINED IN OPERATION, SO
9 THERE WERE ALWAYS TIRES BEING ACCEPTED AND
10 COMING IN ON-SITE.

11 THEY WERE ALSO UNDER THE EXCLUSION
12 PROVISIONS OF THE BOARD'S WASTE TIRE STORAGE
13 REGULATORY PROGRAM. AND THEN WHEN THOSE
14 EXCLUSIONS WERE REVOKED, THEY THEN PROCEEDED TO
15 BE IN A STATUS THAT INITIATED PAPERWORK FROM
16 THE PERMITTING AND ENFORCEMENT DIVISION.

17 THIS SITE WAS UNDER A CLEANUP AND ABATEMENT
18 ORDER AT THE TIME THAT THE FORECLOSURE PROCEEDS
19 WERE PURSUED. SO WE INITIATED -- THE BOARD
20 INITIATED AT THAT POINT IN TIME MANY ACTIVITIES
21 TO BE ABLE TO CEASE ACCEPTANCE OF TIRES AT THE
22 SITE.

23 HOWEVER, UNTIL WE MOVED INTO THAT STATUS
24 WITH THE COMPANY, THEY WERE STILL IN OPERATION.
25 THEY STILL NEEDED TO ACCEPT TIRES TO BE ABLE TO
26 PERFORM THEIR BUSINESS ACTIVITIES.

27 MR. EATON: DID THEY PAY US DURING THAT
28 TIME THAT THEY WERE STILL ACCEPTING OR --

29 MS. TRGOVCICH: NO, THEY DID NOT. THEY

1 WERE IN FORMS OF WORK-OUT AGREEMENTS AT THAT
2 POINT IN TIME. SOME MONEY DID COME IN FOR A
3 PERIOD OF TIME, AND THEN IT CEASED AGAIN.

4 THERE WAS ALSO WHAT'S -- WHAT WOULD BE VERY
5 IMPORTANT FOR YOU TO BE AWARE OF AS WELL IS
6 THAT THERE WERE APPROXIMATELY -- ROBERT, I'M
7 NOT QUITE SURE IF YOU OR STEVE DOLAN FROM THE
8 SOUTHERN CALIFORNIA OFFICE WOULD KNOW --
9 APPROXIMATELY 5- TO 8,000 TIRES ON SITE AT THE
10 TIME THAT WE SENT THE NOTICE OF FORECLOSURE
11 ACTION TO THE COMPANY.

12 BETWEEN THAT TIME -- AND THAT WAS NOT OUR
13 PROPERTY AT THAT POINT, REMEMBER -- AND THE
14 TIME THAT THE FORECLOSURE SALE ACTUALLY
15 OCCURRED AND THE PROPERTY BECAME OURS, THE
16 AMOUNT OF TIRES ON THE SITE WENT FROM THAT 5-
17 TO 8,000 TO UP OVER 100,000 TIRES.

18 MR. LA TANNER: THAT'S ROUGHLY FROM AUGUST
19 UNTIL DECEMBER. AUGUST OF '8- --

20 MS. TRGOVCICH: THE TIME FRAME THAT JIM IS
21 REFERRING TO IS APPROXIMATELY AUGUST OF 1998
22 UNTIL EARLY DECEMBER 1998. ONCE THE PROPERTY
23 BECAME OURS, WE IMMEDIATELY PROCEEDED TO MOVE
24 SECURITY ONTO THE SITE.

25 MR. ROBERTI: WHAT YOU'RE SORT OF SAYING IS
26 THAT THERE IS A PERIOD OF TIME WHERE WE HAVE TO
27 MAKE A HEAVY JUDGMENT DECISION, I GUESS, AS TO
28 WHETHER WE ACCELERATE A POSSIBLY GOING --
29 COMPANY GOING DOWN OR WE CONTINUE THE BAD

1 ACTIVITY OF COLLECTING THE TIRES FOR FAILING
2 COMPANIES. SO --

3 MS. TRGOVCICH: AND WE WERE --

4 MR. ROBERTI: -- AS SOON AS YOU FELT IT WAS
5 A CLEAR -- AS SOON AS THE BOARD FELT IT WAS,
6 YOU KNOW, A CLEAR CASE THAT THE COMPANY WASN'T
7 GOING ANYWHERE, WE FORECLOSED.

8 MS. TRGOVCICH: CORRECT, AND WHAT -- WE
9 TRIED TO PROCEED IN A MUCH MORE EXPEDITIOUS
10 FASHION. HOWEVER, WE WERE HALTED BECAUSE OF
11 THE BANKRUPTCY FILING, THE PERSONAL BANKRUPTCY
12 FILING. THAT STAYED THE INITIAL FORECLOSURE
13 SALE.

14 CHAIRMAN PENNINGTON: OKAY.

15 MR. EATON: PROBABLY FOR LEGAL ON THE
16 BANKRUPTCY, WHERE IS OUR PLACE HOLDER --
17 POSITION?

18 MS. TOBIAS: FOR WHAT? FOR THE --

19 MR. EATON: WELL, WE'VE OBVIOUSLY -- HE
20 WENT INTO BANKRUPTCY ON SOME OF THE PROPERTY,
21 CORRECT?

22 MS. TRGOVCICH: HE FILED PERSONAL
23 BANKRUPTCY. SO WHAT THAT DID, INITIALLY THAT
24 STAYED THE FORECLOSURE BECAUSE IT WAS UNCLEAR
25 AT THAT POINT IF THE COMMERCIAL PROPERTY WAS
26 TIED IN.

27 WE PROCEEDED, ONCE WE RECEIVED AGREEMENTS
28 OR RULINGS ON THAT ASPECT, WITH THE SALE OF THE
29 COMMERCIAL PROPERTY. THE PERSONAL RESIDENCE

1 PLUS THE FOUR COMMERCIAL LOTS ARE STILL HELD UP
2 WITHIN THAT BANKRUPTCY PROCEEDING.

3 MR. EATON: AND I ASSUME WE MADE A CLAIM IN
4 BANKRUPTCY COURT.

5 MS. TOBIAS: SURE.

6 MR. EATON: AND SO WHAT I'M TRYING TO FIND
7 OUT IS WHAT IS OUR STATUS AS A CLAIM.

8 MS. TOBIAS: I CAN'T GIVE YOU A SPECIFIC
9 ONE BECAUSE I DON'T KNOW ALL THE CLAIMANTS, BUT
10 GENERALLY WE'RE AFTER THE IRS, FRANCHISE TAX
11 BOARD, YOU KNOW.

12 MR. EATON: SECURED OR UNSECURED? LET'S GO
13 -- ARE WE UNSECURED OR SECURED?

14 MS. TOBIAS: I DON'T KNOW THAT.

15 MR. LA TANNER: MY UNDERSTANDING IS WE'RE
16 THE ONLY SECURED CREDITOR AT THIS POINT. WE
17 HAVE FILED FOR RELIEF OF STAY FROM THE
18 BANKRUPTCY COURT. WE EXPECT, BECAUSE HE
19 CONVERTED TO A CHAPTER 7, TO OBTAIN THAT IN
20 MARCH OR APRIL.

21 CHAIRMAN PENNINGTON: OKAY. MR. JONES?

22 MR. JONES: MR. CHAIRMAN, WHEN I READ THIS
23 -- WHEN I READ THIS ITEM THE FIRST TIME AND
24 SAID IT WAS AN RMDZ LOAN, IT SEEMED TO ME THAT
25 WE NEEDED TO USE RMDZ FUNDS TO REMEDY THE
26 PROPERTY TO GET IT IN A CONDITION WHICH IS
27 ALLOWED BY LAW, BUT THEN I FOUND OUT THAT THIS
28 WAS AN RMDZ LOAN THAT USED TIRE MONEY. AND SO
29 NOW THERE ARE \$241,000 OF TIRE PILES THAT

1 AREN'T GOING TO GET CLEANED UP AS WE END UP
2 LOSING \$821,000 ON THIS LOAN.

3 I DON'T HAVE A PROBLEM WITH RISK WHEN IT
4 COMES TO TRY AND PROMOTE MARKETS. THAT'S WHAT
5 THIS PROGRAM IS ABOUT, BUT IT DOES GALL ME THAT
6 WE'RE -- WHEN WE HAVE A FUND BALANCE OF OVER
7 \$18 MILLION IN RMDZ, THAT WE HAVE TO GET OUT
8 THERE, AND BY LAW WE COULD USE RMDZ MONEY TO
9 CLEAN THIS PROPERTY UP, THAT WE HAVE TO USE
10 PRECIOUS TIRE MONEY TO DO IT. JUST MAKES IT
11 HARD FOR ME TO -- YOU KNOW, I WOULD SUPPORT
12 OPTION 1, BUT I WOULD SURE LIKE TO SEE US HAVE
13 BEEN ABLE TO USE THAT SURPLUS MONEY.

14 MR. CHANDLER: POINT WELL TAKEN, BOARD
15 MEMBER JONES.

16 KARIN FISH, WOULD YOU LIKE TO ADD ANYTHING
17 TO WHY WE'RE IN THIS SITUATION, BEING
18 RESTRICTED, AND PERHAPS SET SOME BACKDROP FOR
19 WHETHER OR NOT THE BOARD WANTS TO CONSIDER
20 MAKING ANY DECISIONS ON HOW WE COULD NOT BE
21 PRECLUDED FROM USING RMDZ MONEYS TO SOLVE THIS?
22 BECAUSE I THINK IT IS KIND OF A FUND INTEGRITY
23 OR A FUND TRANSFER QUESTION THAT WE RAN INTO
24 HERE.

25 MS. FISH: YEAH. YEAH, IT IS A DIFFICULT
26 DECISION. BECAUSE OF THE ORIGINAL FUNDING OF
27 THE LOAN, WE COULD BE HELD UNDER AUDIT THAT WE
28 WERE NOT OPERATING WITHIN THE APPROPRIATE LEGAL
29 AUTHORITY WITH THE LAW THAT ESTABLISHES THE

1 RMDZ REVOLVING LOAN ACCOUNT. HOWEVER, YOU DO
2 HAVE WITHIN THE LAW THE ABILITY TO -- THAT THIS
3 FUND CAN BE USED TO PROTECT OUR INTEREST AS A
4 LENDER CREDITOR.

5 YOU ALSO HAVE THE SITUATION THAT ONE IS
6 APPROPRIATED. ONE IS NOT. SO YOU COULD
7 POTENTIALLY SAY TO PROTECT US A LENDER CREDITOR
8 AND THE FACT THAT YOU HAVE CONTINUOUSLY
9 APPROPRIATED FUNDS FOR THIS PURPOSE, GO THERE.

10 UNDER AUDIT WE COULD ARGUE THE REASON FOR
11 DOING THIS, BUT I DO NEED TO WARN YOU THAT
12 THERE COULD BE AN AUDIT UPSET -- AN AUDIT -- AN
13 AUDIT EXCEPTION. HOWEVER, WE COULD ARGUE THE
14 LOGIC AND THE REASON THE BALANCE OF THE FUND AS
15 WELL AS ITS CONTINUOUSLY APPROPRIATED STATUS.

16 CHAIRMAN PENNINGTON: SENATOR ROBERTI, YOU
17 --

18 MR. ROBERTI: IT'S BEEN EXPLAINED TO ME IN
19 THE PAST, BUT I'M STILL RELATIVELY UNCLEAR, AS
20 TO HOW TWO SEPARATE FUNDS, MARKET DEVELOPMENT
21 AND TIRE CLEANUP, ARE SO INTERCHANGEABLE. THAT
22 APPEARS TO BE THE CASE HERE.

23 I ACT IN FAVOR OF THE RESOLUTION, BECAUSE I
24 THINK THE TIRE MONEY CAN ONLY BE USED FOR THAT,
25 WHEREAS MARKET DEVELOPMENT HAS A BROADER
26 PORTFOLIO, AND WE SHOULD USE IT FOR THAT, BUT
27 I'M STILL UNCLEAR AS TO WHAT OUR LEGAL SCOPE OF
28 ACTION IS AS BETWEEN THESE TWO FUNDS AND WHY WE
29 COULD MOVE FROM ONE TO THE OTHER.

1 MS. TRGOVCICH: IS WHAT YOU ARE ASKING A
2 QUESTION IN REGARDS TO, IS THE CONTRACT
3 VEHICLE?

4 MR. ROBERTI: WELL, BOTH THE CONTRACT
5 VEHICLE AND, I GUESS, THE ORIGINAL -- WELL, I
6 GUESS THE ORIGINAL CLEANUP WOULD HAVE INCLUDED
7 THE TIRES. THE ORIGINAL MARKET DEVELOPMENT
8 LOAN WOULD HAVE INCLUDED TIRES. THERE'S NO
9 RESTRICTIONS. SO, YEAH, I WOULD SAY AS FAR AS
10 THE CONTRACT VEHICLE IS CONCERNED.

11 MS. TRGOVCICH: THE -- IT'S NOT A MATTER
12 THAT THE FUNDS ARE INTERCHANGEABLE. I'LL SPEAK
13 BRIEFLY TO TWO PIECES.

14 FIRST, THE ORIGINAL ALLOCATION BY THE BOARD
15 OF THE \$1 MILLION IN TIRE FUNDS. I PULLED THE
16 TRANSCRIPT, AND I HAVE IT WITH ME, IF ANYONE
17 WOULD LIKE TO LOOK AT IT, IN TERMS OF BOARD
18 ACTION. AND WHAT THE BOARD DISCUSSION WAS --
19 AT THE TIME WAS, WE WANT TO SET UP A LOAN
20 PROGRAM UNDER THE TIRE FUND, BUT WE DO NOT SEE
21 THE NEED OR PURPOSE TO DUPLICATE THE
22 BUREAUCRATIC PROCESS THAT GOES ALONG WITH THE
23 LOAN PROGRAM. SO WE WILL USE THE RECYCLING
24 MARKET DEVELOPMENT LOAN PROGRAM TO PROCESS
25 LOANS THAT WE WANT TO MAKE FOR TIRES UNDER THE
26 TIRE FUND.

27 SO THERE WAS A DISTINCTION MADE BY THE
28 BOARD. THE BOARD WASN'T SIMPLY MAKING THE
29 DECISION TO FUNNEL \$1 MILLION INTO THE RMDZ

1 SUB-ACCOUNT OR INTO THE RMDZ PROGRAM. THE BOARD
2 MADE THE DECISION TO SET UP A SEPARATE LOAN
3 PROGRAM FOR AN AMOUNT OF \$1 MILLION AND USE THE
4 EXISTING INFRASTRUCTURE TO PROCESS LOANS AT THE
5 BOARD TO MAKE THAT MONEY AND THOSE LOANS
6 HAPPEN.

7 SO THE MONEY WASN'T INTERCHANGEABLE THERE,
8 BUT THE PROGRAM STAFF WAS AS WELL AS WERE THE
9 CONTRACTING VEHICLES TO BE ABLE TO REVIEW THE
10 FINANCING AND PROCESS THE LOAN DOCUMENTS.

11 IN TERMS OF THE CLEANUP NOW ON THE BACK
12 END, THE -- WHAT WE ARE TRYING TO DO IS TO
13 RETAIN THE DISTINCTION BETWEEN THOSE FUNDS.
14 FOR THE SHORT PERIOD OF TIME THAT TIGON DID
15 MAKE PAYMENT INTO THE -- ON THE LOAN, THOSE
16 MONEYS WERE THEN PLACED INTO THE TIRE FUND.
17 VERY SIMILARLY TO THE PARCO LOAN THAT RECENTLY
18 WENT BANKRUPT, WE CALLED IN A LETTER OF CREDIT,
19 THAT ENTIRE LETTER OF CREDIT, WHICH WAS IN
20 EXCESS --

21 MR. ROBERTI: CAN I STOP YOU THERE? I'M
22 STILL UNCLEAR IF THE ORIGINAL LOAN CAME OUT OF
23 RECYCLING AND MARKET DEVELOPMENT.

24 MS. TRGOVCICH: THE ORIGINAL LOAN WAS
25 SIMPLY PROCESSED USING THE RECYCLING MARKET
26 DEVELOPMENT LOAN PROGRAM STAFF AND CRITERIA.

27 MR. ROBERTI: OKAY. FINE. OKAY. THAT'S
28 CLEAR.

29 MS. TRGOVCICH: OKAY. IN TERMS OF THEN THE

1 CLEANUP, ANY PROCEEDS THAT WOULD BE DERIVED
2 FROM THE SALE OF THE PROPERTY WILL
3 AUTOMATICALLY GO BACK INTO THE TIRE FUND AS
4 WELL, WHICH IS EXACTLY AS HAPPENED WITH PARCO,
5 AS I JUST MENTIONED, WHEN WE CALLED THE LETTER
6 OF CREDIT, AND OVER \$800,000 WENT IMMEDIATELY
7 BACK INTO THE TIRE FUND.

8 SO WE ARE NOT CROSSING LINES IN TERMS OF
9 THE FUNDING. WE ARE USING THE FUNDING SOURCE,
10 WHICH MADE THE LOAN AS THE FUNDING SOURCE TO
11 CLEAN UP THE SITE. THAT IS WHAT OPTION 1
12 PROPOSES.

13 MR. FRAZEE: COULD I SEE THAT --

14 CHAIRMAN PENNINGTON: YEAH.

15 MR. FRAZEE: -- A LITTLE BIT FURTHER?

16 THE INITIAL \$1 MILLION THAT WAS ALLOCATED
17 FROM THE TIRE FUND FOR THIS PURPOSE, WAS THAT
18 ALL USED?

19 MS. TRGOVCICH: I BELIEVE ALL OF THAT MONEY
20 WAS USED, AND, IN FACT, THERE WAS A THIRD TIRE
21 LOAN MADE, THAT BECAUSE THERE WAS NOT
22 SUFFICIENT FUNDS IN THE \$1 MILLION THAT WAS
23 ALLOCATED, THAT THE DEFICIENCY, THE GAP, WAS
24 FUNDED THROUGH THE RMDZ SUB-ACCOUNT MONEYS.

25 MR. FRAZEE: SO THERE ARE NOW NO FUNDS
26 SITTING IN RMDZ THAT CAME THERE AS THE RESULT
27 OF TIRE MONEY?

28 MS. TRGOVCICH: NO, AND NONE OF THOSE FUNDS
29 EVER SAT THERE --

1 MR. FRAZEE: RIGHT. OKAY.

2 MS. TRGOVCICH: -- REGARDLESS.

3 MR. FRAZEE: SO THEN IT'S ACADEMIC WHERE
4 THIS MONEY COMES FROM. IT'S STILL GOING TO
5 COME FROM THE TIRE FUND, BECAUSE THERE IS NO
6 POT OF RMDZ MONEY TO USE FOR THIS PURPOSE, AND
7 I THINK THAT'S THE --

8 MR. CHANDLER: WELL, I THINK THE POINT THAT
9 MISS FISH IS MAKING IS THAT THERE IS APPARENT
10 LANGUAGE THAT ALLOWS FOR US TO PROTECT OUR
11 INTERESTS, ALL RMDZ-FUNDED LOANS. AND,
12 THEREFORE, IF WE WANT TO TRY TO BOOTSTRAP ALONG
13 THAT LINE, WE COULD PERHAPS MAKE THE ARGUMENT
14 THAT WE COULD GO TO THE RMDZ FUND AND ATTEMPT
15 TO PROTECT OUR INTEREST BY MAKING THIS PROPERTY
16 READY FOR RESALE AND THEREBY USING THOSE FUNDS
17 TO TRY TO CLEAN IT UP. I DON'T BELIEVE -- THE
18 ARGUMENT IS NOT QUITE --

19 MR. FRAZEE: I THINK YOU'RE WALKING A
20 DANGEROUS LINE THERE, THOUGH, BECAUSE THE -- AS
21 I UNDERSTAND, AND HAVE A LITTLE CLEARER VIEW OF
22 IT HERE, THE RMDZ WAS ONLY USED AS A VEHICLE TO
23 HANDLE THIS MONEY.

24 MR. CHANDLER: THAT'S CORRECT.

25 MR. FRAZEE: AND SO I DON'T THINK THAT YOU
26 CAN FIND A LEGAL TIE -- I CAN PRACTICE LAW HERE
27 -- FIND A LEGAL TIE BACK TO THE RMDZ FUNDS
28 WHERE IT WOULD MEET THE TEST OF AN APPROPRIATE
29 USE OF RMDZ FUNDS. SO THE ONLY OPTION WE HAVE

1 IS THE ONE THAT'S BEFORE US.

2 MR. CHANDLER: WE DON'T DISAGREE.

3 CHAIRMAN PENNINGTON: MR EATON?

4 MR. CHANDLER: I THINK WE JUST WANTED TO
5 LAY THAT ALTERNATIVE OUT.

6 MR. EATON: I JUST -- JUST ONE CLOSING
7 COMMENT, AND I WANT YOU TO TAKE IT IN -- IN A
8 POSITIVE LIGHT, AND NOT A NEGATIVE ONE.

9 THIS WAS A RELATIVELY EARLY PROGRAM, AT
10 THIS TIME, IF I'M NOT MISTAKEN. I WOULD HOPE
11 ALL OF US, THOSE WHO WEREN'T -- SOME OF US --
12 MOST OF US -- I DON'T THINK ANY OF US WERE
13 AROUND AT THE TIME, PERHAPS, THAT THIS WAS
14 MADE, AND THAT'S NOT THERE -- I WOULD ENCOURAGE
15 YOU AS A STAFF, NOW THAT WE'VE ALL LEARNED THIS
16 LESSON, THAT IN THE FUTURE, WE DON'T -- WE
17 DON'T WAIT THREE YEARS. WE DON'T GIVE AS MUCH
18 HEART AND SOUL AS WE HAVE.

19 AND THERE'S AN OLD EXPRESSION THAT PERHAPS,
20 I THINK, MR. FRAZEE AND SENATOR ROBERTI
21 PROBABLY KNOW BETTER THAN ALL -- THE OTHER
22 THREE, AND I'M NOT MEANING TO BE DEGRADING, BUT
23 CUT YOUR LOSSES EARLY, AND YOU'LL BE BETTER
24 OFF. AND I THINK THAT WE'VE ALL LEARNED THAT.
25 AND I WOULD HOPE THAT -- I THINK THIS BOARD IS
26 GOING TO BE REALLY RECEPTIVE TO THOSE KINDS OF
27 THINGS, AND I WOULD ENCOURAGE YOU TO COME
28 EARLY, YOU KNOW, AS WE LEARN THESE LESSONS, AND
29 THAT'S ALL I WOULD HAVE TO SAY.

1 MR. FRAZEE: MR. CHAIRMAN, I THINK WE'VE
2 ALREADY -- IN MODIFYING THE TIRE REGULATIONS,
3 HAVE CLOSED THAT DOOR BECAUSE HAD THE -- THIS
4 SITE BEEN UNDER JURISDICTION RATHER THAN
5 SITTING THERE WITH AN EXEMPTION, AS THEY WERE,
6 WHEN THEY WENT OVER 5,000 TIRES, THEY WOULD
7 HAVE BEEN SUBJECT TO -- IMMEDIATELY TO -- TO
8 CLOSURE, SO --

9 CHAIRMAN PENNINGTON: MR. JONES.

10 MR. JONES: MR. CHAIRMAN, I HAVE ANOTHER
11 QUESTION. I'M GOING TO -- I'M GOING TO PROPOSE
12 OPTION 1 LIKE EVERYBODY WANTS OUT OF THE TIRE
13 FUND, BUT SINCE FORECLOSURE, THE WASTE BOARD IS
14 THE LAND OWNER NOW? AND I'M A PRETTY BIG
15 PROPONENT OF COST RECOVERY.

16 SO I'M JUST WONDERING, MR. CHANDLER, WHAT
17 KIND OF COST RECOVERY ARE WE GOING AFTER ON
18 THIS PROJECT AS WE -- AS WE TEAR INTO THIS TIRE
19 PILE? DOES THE 240- COME OUT OF THE -- NO, I'M
20 -- I'M BEING FACETIOUS. IT'S TOUGH, THOUGH, I
21 TELL YOU.

22 MR. EATON: WHERE IS THIS PROPERTY, JUST
23 OUT OF CURIOSITY?

24 CHAIRMAN PENNINGTON: IS IT CLOSE ENOUGH
25 FOR US TO BUILD OUR BUILDING ON?

26 MR. EATON: MY SENTIMENTS EXACTLY. YOU
27 KNEW WHERE I WAS GOING.

28 MR. JOHNSON: THIS PROPERTY IS ABOUT 45
29 MINUTES EAST FROM THE CITY OF RIVERSIDE NEXT TO

1 THE GOLF COURSE. HIGHWAY 60 AND 215.

2 CHAIRMAN PENNINGTON: SOUNDING BETTER ALL
3 THE TIME.

4 MR. EATON: I WOULD MAKE A MOTION THAT WE
5 CONTINUE THIS UNTIL WE CAN SEE THE MAP.

6 MS. TRGOVCICH: JUST TO BRIEFLY RESPOND TO
7 YOUR COMMENT -- NO, NOT THE BUILDING, BUT IN
8 TERMS OF THE PROCEEDING TO TAKE ACTION.

9 I THINK WE, WHO ARE CURRENTLY IN THE LOAN
10 PROGRAM, STRONGLY AGREE WITH YOU. YOU'LL
11 REMEMBER THAT VERY RECENTLY WE SENT YOU A MEMO,
12 INDICATING THAT WE HAVE PROCEEDED TO TAKE
13 FORECLOSURE ACTION ON A LOAN WHERE THEY ARE
14 DELINQUENT ON THREE -- THEY WERE DELINQUENT BY
15 THREE PAYMENTS AT THE TIME THAT WE DECIDED TO
16 TAKE ACTION. THEY ARE NOW DELINQUENT ON SIX,
17 GOING ON SEVEN PAYMENTS. SO WE'VE DEFINITELY
18 ACCELERATED THAT.

19 AND WE'VE DETERMINED THAT THERE'S A CERTAIN
20 POINT IN TIME AT WHICH YOU ARE LOSING MONEY BY
21 PURSUING ACTION ON YOUR LOAN, AND SO YOU HAVE
22 TO PROCEED IN A VERY SHORT ORDER TO BE ABLE TO
23 MAKE IT A COST-EFFECTIVE RECOVERY.

24 AND TO MEMBER JONES, IT'S NOT 241,000 NOW,
25 BUT THE BID CAME IN AT 194,650.

26 MR. JONES: SO THE LAND OWNER DOESN'T HAVE
27 TO SPEND AS MUCH TO PAY US BACK, THE TIRE
28 PROGRAM?

29 MS. TRGOVCICH: RIGHT.

1 MR. JONES: PERFECT. MR. CHAIRMAN?

2 CHAIRMAN PENNINGTON: YES.

3 MR. JONES: I'D LIKE TO MOVE RESOLUTION 199
4 -- OH, BOY -- 1999-12 TO USE TIRE FUNDS TO
5 CLEAN UP THIS ILLEGAL TIRE PILE THAT IS NOW
6 OWNED BY THE WASTE BOARD.

7 MR. ROBERTI: SECOND.

8 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN
9 MOVED BY MR. JONES, SECONDED BY SENATOR ROBERTI
10 THAT WE ADOPT RESOLUTION 1999-12.

11 IF THERE'S NO FURTHER DISCUSSION, WILL THE
12 SECRETARY CALL THE ROLL?

13 MS. KELLY: BOARD MEMBER EATON?

14 MR. EATON: AS A PROPERTY OWNER, AYE.

15 MS. KELLY: FRAZEE?

16 MR. EATON: NO CONFLICT THERE.

17 MR. FRAZEE: AYE.

18 MS. KELLY: JONES?

19 MR. JONES: AYE.

20 MS. KELLY: ROBERTI?

21 MR. ROBERTI: AYE.

22 MS. KELLY: CHAIRMAN PENNINGTON?

23 CHAIRMAN PENNINGTON: AYE.

24 MOTION CARRIES.

25 WE'LL MOVE TO ITEM 3, CONSIDERATION OF THE
26 ADOPTION OF THE NEGATIVE DECLARATION AND THE
27 PROPOSED REGULATIONS FOR THE FARM AND RANCH
28 SOLID WASTE CLEANUP AND ABATEMENT GRANT
29 PROGRAM.

1 JULIE NAUMAN.

2 MS. NAUMAN: GOOD MORNING, MR. CHAIR AND
3 MEMBERS. MY NAME IS JULIE NAUMAN, DEPUTY
4 DIRECTOR OF THE PERMITTING AND ENFORCEMENT
5 DIVISION. THE ITEM THAT WE HAVE THIS MORNING
6 BEFORE YOU, ITEM NO. 3, IS THE FARM AND RANCH
7 SOLID WASTE CLEANUP AND ABATEMENT GRANT PROGRAM
8 REGULATIONS. I JUST WANT TO GIVE YOU A LITTLE
9 BIT OF BACKGROUND BEFORE I ASK STAFF TO ADDRESS
10 THE REGULATIONS SPECIFICALLY.

11 THE FARM AND RANCH SOLID WASTE CLEANUP AND
12 ABATEMENT GRANT PROGRAM RESULTED FROM
13 LEGISLATION IN 1977 CARRIED BY THEN SENATOR
14 LOCKYER AND WAS KNOWN AS SB 1330. WE OFTEN
15 REFER TO THE PROGRAM AS THE 1330 CLEANUP
16 PROGRAM.

17 IT'S INTENDED TO PROVIDE GRANTS TO CITIES
18 AND COUNTIES FOR CLEANUP OF ILLEGAL DUMP SITES
19 ON FARM OR RANCH PROPERTIES. IT'S ANTICIPATED
20 THAT THIS PROGRAM WILL SIGNIFICANTLY ENHANCE
21 THE BOARD'S ABILITY TO ASSIST PRIMARILY RURAL
22 AREAS OF THE STATE IN DEALING WITH PROBLEMS OF
23 ILLEGAL DUMPING WHERE RESPONSIBLE PARTIES
24 CANNOT BE IDENTIFIED, VERY SIMILAR TO OUR 2136
25 PROGRAM, BUT SPECIFICALLY FOCUSED ON FARM AND
26 RANCH PROPERTIES.

27 SB 1330 REQUIRES THE BOARD TO ADOPT
28 REGULATIONS FOR THE PROGRAM. OUR BOARD STAFF
29 STARTED THE RULE-MAKING PROCESS IN EARLY 1988

1 WITH PUBLIC WORKSHOPS AND IN APRIL OF '88 --
2 I'M SORRY -- IN APRIL OF '98 THE BOARD APPROVED
3 A 45-DAY PUBLIC COMMENT PERIOD. THE PUBLIC
4 HEARING WAS CONDUCTED IN DECEMBER OF LAST YEAR
5 TO ADDRESS THE 45-DAY COMMENT PERIOD, AND THEN
6 THE BOARD APPROVED CHANGES FOR AN ADDITIONAL
7 15-DAY COMMENT PERIOD, WHICH HAS NOW CLOSED.

8 AT THIS POINT I'LL TURN THE PRESENTATION
9 OVER TO SCOTT WALKER, BRANCH MANAGER OF OUR
10 REMEDIATION AND CLOSURE BRANCH, AND HE'LL
11 PRESENT THE RESULTS OF THAT 15-DAY REVIEW
12 PERIOD AND PRESENT STAFF'S RECOMMENDATION.

13 MR. WALKER: THE 15-DAY PUBLIC COMMENT
14 PERIOD FOR THE PROPOSED REGULATIONS CONCLUDED
15 JANUARY 7TH. THERE WERE NO COMMENTS RECEIVED.
16 IN ADDITION, A NEGATIVE DECLARATION WAS
17 PROCESSED FOR PUBLIC COMMENT PURSUANT TO THE
18 CALIFORNIA ENVIRONMENT QUALITY ACT, AND NO
19 COMMENTS WERE RECEIVED CONCERNING THE NEGATIVE
20 DECLARATION.

21 AT THE DECEMBER PUBLIC HEARING, PUBLIC
22 TESTIMONY RAISED THE QUESTION AS TO WHETHER OR
23 NOT A JOINT POWERS AUTHORITY OR JPA COULD APPLY
24 FOR A GRANT UNDER THE PROGRAM. BOARD LEGAL
25 STAFF HAVE DETERMINED THAT THE STATUTORY
26 AUTHORITY FOR THE PROPOSED REGULATIONS ALLOWS
27 THE BOARD ONLY TO ISSUE GRANTS TO THE
28 INDIVIDUAL CITIES OR COUNTIES AND NOT TO A
29 JOINT POWERS AUTHORITY.

1 ON ANOTHER NOTE, STAFF WILL BE BRINGING
2 BACK ANOTHER -- ANOTHER ITEM WHICH WILL BE FOR
3 APPROVAL OF THE APPLICATION AND THE SCORING AND
4 RANKING PROCESS. THERE WILL BE A SEPARATE ITEM
5 THAT -- FOR THE BOARD TO APPROVE. IT WILL BE
6 PRESENTED IN ACCORDANCE WITH STANDARD BOARD
7 GRANT PROCEDURES THAT WE'VE ESTABLISHED.

8 IN CONCLUSION, BOARD STAFF RECOMMEND
9 ADOPTION OF RESOLUTION 99-34 APPROVING THE
10 NEGATIVE DECLARATION AND RESOLUTION 99-35
11 APPROVING THE PROPOSED REGULATIONS FOR THE FARM
12 AND RANCH SOLID WASTE CLEANUP AND ABATEMENT
13 GRANT PROGRAM.

14 I'D BE HAPPY TO ANSWER ANY QUESTIONS.

15 CHAIRMAN PENNINGTON: QUESTIONS OF STAFF?

16 IF NOT --

17 MR. EATON: I'D BE HAPPY TO MOVE THE FIRST
18 OF TWO RESOLUTIONS, MOVE THAT WE ADOPT
19 RESOLUTION 1999-34 REGARDING THE ADOPTION OF
20 THE NEGATIVE DECLARATION AS IT PERTAINS TO THE
21 FARM AND RANCH CLEANUP AND ABATEMENT GRANT
22 PROGRAM.

23 MR. JONES: I'LL SECOND.

24 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN
25 MOVED BY MR. EATON AND SECONDED BY MR. JONES
26 THE ADOPTION OF RESOLUTION 9934.

27 IF THERE'S NO FURTHER DISCUSSION, WILL THE
28 SECRETARY CALL THE ROLL, PLEASE.

29 MS. KELLY: BOARD MEMBER EATON?

1 MR. EATON: AYE.

2 MS. KELLY: FRAZEE?

3 MR. FRAZEE: AYE.

4 MS. KELLY: JONES?

5 MR. JONES: AYE.

6 MS. KELLY: ROBERTI?

7 MR. ROBERTI: AYE.

8 MS. KELLY: CHAIRMAN PENNINGTON?

9 CHAIRMAN PENNINGTON: AYE.

10 MOTION CARRIES.

11 MR. EATON: WITH REGARD TO ITEM -- MR.

12 CHAIR, I WOULD MOVE THAT WE ADOPT RESOLUTION

13 1999-35, WHICH WOULD BE THE ADOPTION OF THE

14 REGULATION FOR THE FARM AND RANCH SOLID WASTE

15 CLEANUP AND ABATEMENT GRANT PROGRAM.

16 MR. JONES: I'LL SECOND.

17 CHAIRMAN PENNINGTON: MR. -- I MEAN MR.

18 EATON MOVES, MR. JONES SECONDS THE ADOPTION OF

19 RESOLUTION NO. 1999-35.

20 IF THERE'S NO FURTHER DISCUSSION, WILL THE

21 SECRETARY CALL THE ROLL.

22 MS. KELLY: BOARD MEMBER EATON?

23 MR. EATON: AYE.

24 MS. KELLY: FRAZEE?

25 MR. FRAZEE: AYE.

26 MS. KELLY: JONES?

27 MR. JONES: AYE.

28 MS. KELLY: ROBERTI?

29 MR. ROBERTI: AYE.

1 MS. KELLY: CHAIRMAN PENNINGTON?

2 CHAIRMAN PENNINGTON: AYE.

3 MOTION CARRIES.

4 WE'LL MOVE TO ITEM 4, CONSIDERATION OF A
5 REVISED SOLID WASTE FACILITY PERMIT FOR THE
6 MID-VALLEY SANITATION LANDFILL -- SANITARY
7 LANDFILL IN SAN BERNARDINO COUNTY.

8 JULIE NAUMAN.

9 KAREN BENNETT?

10 MS. NAUMAN: MR. CHAIRMAN, PAUL WILLMAN WAS
11 GOING TO MAKE THE PRESENTATION THIS MORNING.
12 HE WAS NOT ABLE TO STAY, AND SO DIANNE
13 OHIOSUMUA, IF I'M SAYING HER NAME CORRECTLY,
14 WILL MAKE THE PRESENTATION OF THE STAFF.

15 CHAIRMAN PENNINGTON: OKAY. THANK YOU.

16 MS. OHIOSUMUA: GOOD MORNING. THIS ITEM
17 REGARDS THE CONSIDERATION OF A SOLID WASTE
18 FACILITY PERMIT FOR THE MID-VALLEY SANITARY
19 LANDFILL LOCATED IN SAN BERNARDINO COUNTY.

20 THE PROPOSED PERMIT IS TO ALLOW THE
21 FOLLOWING: A LATERAL EXPANSION THAT WOULD
22 INCREASE THE PERMITTED AREA FROM 147 ACRES TO
23 498 ACRES, AN INCREASE IN THE DAILY TRAFFIC
24 VOLUME FROM 1,012 TO A MAXIMUM OF 2,500
25 VEHICLES, EXPAND SITE ACTIVITIES FROM 10 HOURS
26 TO 13 HOURS PER DAY, AN INCREASE IN THE MAXIMUM
27 RATE OF DAILY WASTE ACCEPTANCE FROM 4,000 TO A
28 MAXIMUM DAILY RATE OF 7,500 TONS. STIPULATED
29 IN THE SOLID WASTE FACILITY PERMIT IS A NEWLY

1 CALCULATED DESIGN CAPACITY OF 62 MILLION CUBIC
2 YARDS, WHICH RESULTED FROM THE PROPOSED LATERAL
3 EXPANSION. ESTABLISHING THE SOLID WASTE
4 FACILITY PERMIT A MAXIMAL LANDFILL ELEVATION OF
5 1,750 FEET ABOVE SEA LEVEL, WHICH IS 100 FEET
6 ABOVE EXISTING GRADE. ON THE BASIS OF THE
7 LATERAL EXPANSION AND CAPACITY STIPULATED IN
8 THE SOLID WASTE FACILITY PERMIT, THE ESTIMATED
9 CLOSURE DATE WOULD BE 2033. AN AGGREGATE
10 RECOVERY PROCESSING AND BATCH PLANT TO OPERATE
11 ON SITE CONCURRENTLY WITH LANDFILL DISPOSAL
12 ACTIVITIES, TO INCORPORATE INTO THE TERMS AND
13 CONDITION OF THE SOLID WASTE FACILITY PERMIT
14 THE JOINT -- THE NEW JOINT TECHNICAL DOCUMENT
15 DATED MAY 1998 AS A SUPPORTING DOCUMENT THAT
16 DESCRIBES THE CURRENT OPERATIONS.

17 THE OWNER AND OPERATOR OF LANDFILL IS THE
18 COUNTY OF SAN BERNARDINO'S WASTE SYSTEMS
19 DIVISION. UNDER CONTRACT FOR THE DAY-TO-DAY
20 LANDFILL OPERATIONS PERFORMED BY NORCAL SAN
21 BERNARDINO, INC. BOARD STAFF AND THE LEA HAS
22 DETERMINED THAT ALL OF THE REQUIREMENTS FOR THE
23 PROPOSED REVISED PERMIT HAVE BEEN MET, THAT THE
24 BOARD APPROVED THE INTEGRATED WASTE MANAGEMENT
25 PLAN FOR THE COUNTY OF SAN BERNARDINO IN
26 NOVEMBER OF 1997. THE PROPOSED MID-VALLEY
27 LANDFILL EXPANSION PROJECT IS IN CONFORMANCE
28 WITH PRC SECTION 5001. THAT THE PROPOSED
29 DESIGN AND OPERATION OF THE FACILITY AS

1 DESCRIBED IN THE SUBMITTED JOINT TECHNICAL
2 DOCUMENT AND AMENDMENTS THERETO WOULD ALLOW FOR
3 THE LANDFILL OPERATIONS AND COMPLIANCE AND
4 STATE STANDARDS AND THAT CEQA HAS BEEN COMPLIED
5 WITH.

6 IN CONCLUSION, STAFF RECOMMENDS THAT THE
7 BOARD ADOPT SOLID WASTE FACILITY PERMIT
8 DECISION NUMBER 99-26 CONCURRENTLY WITH THE
9 ISSUANCE OF THE SOLID WASTE FACILITY PERMIT NO.
10 36-AA-0055.

11 THE LEA MATT SLOWIK AND REPRESENTATIVES
12 FROM THE OPERATOR, CARRIE HYKE AND ART RIVERA,
13 ARE AVAILABLE TO ANSWER ANY QUESTIONS THAT YOU
14 MAY HAVE.

15 CHAIRMAN PENNINGTON: QUESTIONS?

16 MR. JONES: MR. CHAIRMAN --

17 CHAIRMAN PENNINGTON: MR. JONES.

18 MR. JONES: I'D LIKE TO MOVE THIS
19 RESOLUTION, AND THEN I'D LIKE TO MAKE A COMMENT
20 AFTERWARDS.

21 CHAIRMAN PENNINGTON: SURE.

22 MR. JONES: RESOLUTION NO. 1999-26 FOR THE
23 REVISED SOLID WASTE FACILITY PERMIT FOR;
24 MID-VALLEY'S SANITARY LANDFILL.

25 MR. FRAZEE: I'LL SECOND THE MOTION.

26 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN
27 MOVED BY MR. JONES, SECONDED BY MR. EATON IN
28 THE ADOPTION OF RESOLUTION 1999-26.

29 MR. JONES?

1 MR. JONES: MY ONE COMMENT, AND I HAVE -- I
2 WANT TO JUST USE THIS PERMIT AS A -- AS A
3 EXAMPLE, BECAUSE I THINK AT SOME TIME THIS
4 BOARD NEEDS TO -- THE LEA HAS DONE A GOOD JOB
5 HERE, BUT THERE'S A LOT -- I MEAN THE
6 CONDITIONS ARE REDUNDANT IN THEIR -- IN THEIR
7 STATEMENT OF STANDARDS. BUT I SEE THEM, AND
8 EVERY TIME I GO THROUGH A PERMIT -- I'M USING
9 THIS AS AN EXAMPLE OF BRINGING UP TO THIS
10 BOARD, WHEN YOU GO THROUGH CONDITIONS AND YOU
11 LOOK AT THEM, YOU KNOW, IT SEEMS TO ME WE HAD
12 PUT OUT AN LEA ADVISORY BACK IN AUGUST OF '98,
13 TRYING TO ADVISE LEA IT'S NOT TO BE SO
14 REDUNDANT AND TO, YOU KNOW -- I MEAN, THEY'RE
15 STATEMENT OF STANDARDS, AND THEY -- YOU KNOW,
16 THEY DON'T NEED TO BE STATED AS CONDITIONS.

17 AND IT WOULD JUST SEEM TO MAKE IT SIMPLER,
18 MORE CONCISE, AND IT DOESN'T LOWER THE
19 EXPECTATION -- YOU KNOW, THE HEALTH AND SAFETY
20 ISSUES. AND IT -- IT'S JUST SOMETHING I'D
21 LIKE, YOU KNOW, THE P AND E STAFF AND RALPH,
22 WHEN YOU'RE WORKING -- I MEAN, IF THE BOARD
23 CONCURS, YOU KNOW, WHEN YOU'RE WORKING UNDER --
24 WITH THE LEA'S, TO SEE IF WE CAN GET SOME OF
25 THE OBVIOUS, YOU KNOW, THINGS THAT ARE ALREADY
26 IN STATEMENT OF STANDARDS, NOT DUPLICATED AS
27 THE CONDITION, BECAUSE IT -- IN MY MIND MEANS
28 THAT'S A CONDITION THAT DOESN'T EXIST AT EVERY
29 OTHER FACILITY IN THE STATE OF CALIFORNIA,

1 WHEN, IN FACT, IT DOES. IT IS A STATEMENT OF
2 STANDARD THAT YOU HAVE TO OPERATE TO. AND IT
3 JUST MAKES SENSE TO KNOCK OFF, YOU KNOW, THE
4 REDUNDANCY, BUT I --

5 AND I APOLOGIZE TO SAN BERNARDINO. YOU'RE
6 THE ONLY PERMIT WE HAVE TODAY, AND IT -- IT
7 CAME UP, AND I WANTED TO ADDRESS IT AS AN
8 ISSUE. IT COULD HAVE BEEN ANYBODY'S PERMIT,
9 BECAUSE I SEE THEM ALL THE TIME, AND THEY --
10 THEY MAKE ME CRAZY A LITTLE BIT.

11 MR. EATON: COULD A SITUATION ARISE THEN
12 WHEREIN IF THEY PUT THE -- IN THE PERMIT AND
13 ALL OF THE SUDDEN THE STATEMENT OF THE
14 STANDARDS CHANGE, WOULD OURS CONTROL? I'M
15 FOLLOWING UP ON YOUR POINT.

16 MR. JONES: RIGHT.

17 MR. EATON: BUT THAT'S KIND OF WHAT YOU'RE
18 GETTING AT, RIGHT, IF WE WERE TO CHANGE THE
19 MINIMUM STANDARD, WHATEVER IT MIGHT BE, AND THE
20 CONDITIONS HERE, WHICH YOU WOULD CONTROL, I
21 THINK THAT -- IS THAT SOMETHING THAT MIGHT
22 OCCUR?

23 MR. JONES: YEAH. IT --

24 MR. EATON: I MEAN WE WOULD -- DO YOU KNOW
25 WHAT I'M SAYING? IF -- IF IN THE PERMIT -- AND
26 WE SHOULDN'T TAKE, YOU KNOW, I MEAN, IT'S NOT
27 REALLY IN REGARDS TO SAN BERNARDINO, BUT, FOR
28 INSTANCE, IF WE WERE TO CHANGE STATEMENT OF
29 STANDARDS A YEAR FROM NOW, AND THERE WAS A

1 STATEMENT OF STANDARD THAT WAS, AS YOU SAY,
2 REDUNDANT IN HERE, WHICH WOULD CONTROL? IS
3 THAT -- IS THAT KIND OF WHAT YOU'RE GETTING AT
4 IN THAT REGARD?

5 MR. JONES: RIGHT.

6 MR. EATON: IS THAT ONE OF THE DOWN SIDES
7 IN PUTTING THOSE IN THE PERMIT?

8 MR. JONES: WELL, IT'S -- THEY'RE PART OF
9 THE -- WE GO THROUGH, READ PACKAGES. WE DO
10 STATEMENTS OF STANDARDS. THEY'RE OUT THERE.
11 IT'S LIKE ADC. WE HAVE THE LIFTS. WE KNOW WHAT
12 THOSE ISSUES ARE. THEY HAVE THE STATEMENT OF
13 STANDARDS. A LETTER IS A STATEMENT OF
14 STANDARD. IF WE CHANGE THE STATEMENT OF
15 STANDARD, ONE OF THE CONDITIONS IS YOU COMPLY.
16 IF THEY DON'T -- IF IT'S NOT ENOUGH THAT THEY
17 WANT -- IF THEY WANT MORE, THEY CAN ADD IT TO A
18 CONDITION, YOU KNOW, THEY CAN EXCEED --

19 MR. EATON: RIGHT.

20 MR. JONES: -- THAT STANDARD IN A
21 CONDITION. IT'S THE IDEA THAT WHEN YOU READ
22 JUST -- YOU KNOW, LINE AFTER LINE THAT OUR
23 STATEMENT OF STANDARDS, IT JUST SEEMS
24 REDUNDANT. AND THIS PROBABLY WENT ON TOO LONG,
25 BUT I JUST WANTED TO, YOU KNOW, BRING IT UP AS
26 AN ISSUE THAT I THINK WE NEED TO GET INTO.

27 CHAIRMAN PENNINGTON: MR. FRAZEE?

28 MR. FRAZEE: YES, I WANT TO EXTEND THIS A
29 LITTLE FURTHER, BECAUSE I SHARE MR. JONES'

1 CONCERN.

2 IN READING OVER THE 34 CONDITIONS ON THIS
3 PERMIT, AND IT'S HARD TO TELL WHICH ONES ARE
4 STATEMENT UNDER STANDARDS AND WHICH ONES
5 AREN'T, AND I DON'T SEE ANY THAT GO INTO THE
6 AREA OF APPROPRIATE LAND USE CONDITIONS, WHICH
7 SHOULDN'T BE PART OF THIS PERMIT, BUT IT'S --
8 YOU KNOW, SOME OF THEM MAY BE QUESTIONABLE.

9 AND I THINK THERE WAS A COURT CASE IN -- IN
10 THIS VERY AREA THAT RULED THAT CONDITIONS OF A
11 PERMIT THAT WENT BEYOND MINIMUM STANDARDS WERE
12 INVALID, IS THAT CORRECT, IN THE SAN MARCOS
13 CASE WHICH WAS HEARD IN RIVERSIDE COURT, THE
14 CONDITIONS HAVING TO DO WITH LANDSCAPING AND
15 THAT SORT OF THING WERE RULED TO BE ENFORCEABLE
16 BY THE JURISDICTION, NOT BY -- AND AS A
17 CONDITION -- A LAND USE CONDITION AND NOT BY
18 THE WASTE BOARD OR ITS DESIGNEE.

19 MS. TOBIAS: I THINK THAT'S RIGHT.

20 MR. FRAZEE: SO, YOU KNOW, IT'S HARD TO
21 TELL, BUT WHEN IT -- WHEN IT AMOUNTS TO 34, YOU
22 BEGIN TO QUESTION THE APPROPRIATENESS OF SOME
23 OF THEM.

24 MR. JONES: YEAH. IT WAS JUST AN ISSUE I
25 WANTED TO RAISE.

26 CHAIRMAN PENNINGTON: OKAY. WE HAVE A
27 MOTION ON THE FLOOR. WILL THE SECRETARY CALL
28 THE ROLL?

29 MS. KELLY: BOARD MEMBER EATON?

1 MR. EATON: AYE.

2 MS. KELLY: FRAZEE?

3 MR. FRAZEE: AYE.

4 MS. KELLY: JONES?

5 MR. JONES: AYE.

6 MS. KELLY: ROBERTI?

7 MR. ROBERTI: AYE.

8 MS. KELLY: CHAIRMAN PENNINGTON?

9 CHAIRMAN PENNINGTON: AYE.

10 MOTION CARRIES.

11 WE'LL MOVE TO ITEM NO. 5, CONSIDERATION OF
12 STAFF RECOMMENDATION ON THE ADEQUACY OF THE
13 AMENDED COUNTYWIDE SITING ELEMENT FOR SAN
14 BERNARDINO COUNTY.

15 MS. FRIEDMAN?

16 MS. FRIEDMAN: GOOD MORNING, CHAIRMAN
17 PENNINGTON AND BOARD MEMBERS. BEFORE I TURN
18 THE PRESENTATION OVER TO PAT SCHIAVO, I'D JUST
19 LIKE TO PROVIDE A LITTLE BIT OF CONTEXT.

20 A COUNTYWIDE SITING ELEMENT IS AN ELEMENT
21 OF THE LOCAL COUNTYWIDE INTEGRATED WASTE
22 MANAGEMENT PLAN. IT IS IN THIS ELEMENT WHERE
23 THE COUNTIES IDENTIFY THEIR STRATEGIES AND
24 FACILITIES WHICH ALLOW THEM TO MAINTAIN 15
25 YEARS OF DISPOSAL CAPACITY. SAN BERNARDINO
26 COUNTY IS REQUESTING AN UPDATE TO THEIR
27 COUNTYWIDE SITING ELEMENT, WHICH IS ALREADY
28 BOARD APPROVED.

29 WITH THAT, I'LL TURN THE PRESENTATION OVER

1 TO PAT SCHIAVO.

2 SCHIAVO: GOOD MORNING, AGAIN.

3 THE COUNTY -- AS JUDY MENTIONED, THE COUNTY
4 OF SAN BERNARDINO HAS SUBMITTED AN AMENDED
5 COUNTYWIDE SITING ELEMENT, AND THE PURPOSE OF
6 THE AMENDMENT IS TO EXPAND THREE LANDFILLS
7 WITHIN THE AREA. ONE OF THOSE LANDFILLS IS
8 LANDERS LANDFILL. THE OTHER IS VICTORVILLE
9 AND, FINALLY, THERE'S MID-VALLEY LANDFILL.

10 THE COUNTY HAS APPROVED THROUGH RESOLUTION
11 AND THE 24 LOCAL CITIES HAVE APPROVED THROUGH
12 EITHER RESOLUTION OR INACTIVITY ON
13 DECISION-MAKING PROCESS FOR THIS SITING --
14 SITING ELEMENT TO GO AHEAD AND GO FORWARD WITH
15 IT. ALL THREE OF THE AFFECTED CITIES IN THE
16 UNINCORPORATED COUNTY HAVE FOUND THAT THE
17 LANDFILL EXPANSIONS ARE CONSISTENT WITH THE
18 GENERAL PLAN AS REQUIRED BY PUBLIC RESOURCES
19 CODE 41720.

20 BASED ON THE SUBMITTAL OF INFORMATION TO
21 STAFF AND THEIR ANALYSIS, STAFF RECOMMENDS
22 APPROVAL OF THE AMENDED COUNTYWIDE SITING
23 ELEMENT AND HAS -- FEEL THAT THEY HAVE
24 ADEQUATELY ADDRESSED ALL ISSUES.

25 CHAIRMAN PENNINGTON: OKAY. ANY QUESTIONS
26 OF STAFF?

27 MR. FRAZEE: MR. CHAIRMAN, I'LL MOVE
28 ADOPTION OF RESOLUTION 1999-13.

29 MR. JONES: I'LL SECOND.

1 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN
2 MOVED BY MR. FRAZEE AND SECONDED BY MR. JONES
3 THE ADOPTION OF RESOLUTION 99-13.
4 IF THERE'S NO FURTHER DISCUSSION, WILL THE
5 SECRETARY CALL THE ROLL?
6 ARE YOU -- ARE YOU DOING THE ROLL?
7 MS. MIGUELGORRY: BOARD MEMBER EATON?
8 MR. EATON: AYE.
9 MS. MIGUELGORRY: BOARD MEMBER FRAZEE?
10 MR. FRAZEE: AYE.
11 MS. MIGUELGORRY: BOARD MEMBER ROBERTI?
12 MR. ROBERTI: AYE.
13 MS. MIGUELGORRY: BOARD MEMBER JONES?
14 MR. JONES: AYE.
15 MS. MIGUELGORRY: CHAIRMAN PENNINGTON?
16 CHAIRMAN PENNINGTON: AYE.
17 MOTION CARRIES.
18 WE'LL MOVE TO ITEM NO. 6. CONSIDERATION OF
19 STAFF RECOMMENDATIONS TO CHANGE THE BASE-YEAR
20 FOR 1995 FROM THE PREVIOUSLY APPROVED SOURCE
21 REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF
22 IRVINE IN ORANGE COUNTY.
23 JUDY?
24 MS. FRIEDMAN: GOOD MORNING, BOARD MEMBERS,
25 AGAIN.
26 THERE'S BEEN A LOT OF DISCUSSION OF
27 BASE-YEAR LATELY. TO REMIND EVERYONE, AS PART
28 OF ITS LOCAL PLANS, EACH JURISDICTION IS
29 REQUIRED TO IDENTIFY THE BASE GENERATION RATES.

1 GENERATION, REMEMBER, IS THE SUM OF DIVERSION
2 AND DISPOSAL.

3 BACK IN THE EARLY '90S JURISDICTIONS
4 UNDERTOOK THESE STUDIES IN A VARIETY OF WAYS
5 WITH LIMITED SUCCESS. MANY OF THE BASE-YEAR
6 STUDIES WERE VERY FLAWED. OVER THE YEARS, THE
7 EFFECT OF THE FLAWS BECAME MORE APPARENT AND
8 ACUTE.

9 IN 1996 THE BOARD UNDERTOOK A YEAR-LONG
10 PROCESS TO CATALOG AND ANALYZE THE BASE-YEAR
11 ISSUES AND IDENTIFY SOLUTIONS. WORKING WITH
12 100-PLUS-PERSON WORKING GROUP, STAFF DEvised
13 SEVERAL METHODS FOR FIXING THE PROBLEMS IN
14 JURISDICTIONS BASE-YEAR STUDIES. THE BOARD
15 ADOPTED THESE METHODS IN MARCH OF 1997. SINCE
16 THAT TIME, SEVERAL JURISDICTIONS HAVE USED THE
17 BOARD-APPROVED METHODS AND POLICIES FOR
18 CORRECTING THEIR BASE-YEAR PROBLEMS.

19 IN REVIEWING JURISDICTIONS' PROPOSALS TO
20 ADJUST THEIR BASE-YEAR RATES, STAFF REVIEW THEM
21 TO SEE THEY FOLLOW THE BOARD-APPROVED METHODS,
22 AND THIS IS THE BASIS OF OUR RECOMMENDATION
23 THAT COMES BEFORE YOU.

24 WITH THAT, I'D LIKE TO TURN THE
25 PRESENTATION OVER TO PAT SCHIAVO, WHO WILL
26 DISCUSS THE PARTICULARS OF THIS ITEM.

27 MR. SCHIAVO: GOOD MORNING, AGAIN.

28 AS JUDY MENTIONED, MARCH OF 1997 THE BOARD
29 RECOMMENDED SEVERAL DIFFERENT METHODS THAT

1 JURISDICTIONS COULD USE TO EITHER FIX THEIR
2 BASE-YEARS OR TO COME UP WITH A NEW BASE-YEAR.
3 IN THIS PARTICULAR CASE, THE CITY OF IRVINE HAS
4 CHOSEN TO DEVELOP A NEW BASE-YEAR REFLECTING
5 1995. THE BASIS OF THE BASE-YEAR IS ACTUALLY
6 TWO PARTS VERSUS THE DISPOSAL SITE AND THEN
7 THERE'S THE DIVERSION SITE.

8 REGARDING THE DISPOSAL SITE, THE CITY OF
9 IRVINE HAS USED THE DISPOSAL REPORTING SYSTEM
10 THAT THE BOARD MAINTAINS, WHICH REFLECTS
11 INFORMATION FROM THE COUNTY OF ORANGE. THE
12 OTHER SIDE OF THE EQUATION, THE CITY, WORKING
13 WITH THEIR CONTRACTOR, SURVEYED LANDSCAPING
14 OPERATORS WITHIN THE AREA, THEIR SOLID WASTE
15 HAULERS, THE RECYCLERS IN THE AREA AS WELL AS
16 PUBLIC WORKS DEPARTMENT TO DETERMINE THE TOTAL
17 AMOUNT OF DIVERSION IN THE AREA.

18 SO ADDING THE DISPOSAL AMOUNT TO THE
19 DIVERSION AMOUNT, WE COME UP WITH A GENERATION
20 AMOUNT. HOWEVER, IN THIS PARTICULAR CASE, THE
21 CITY OF IRVINE INCLUDED 30,000 TONS OF INERT
22 WASTE, WHICH IN STAFF'S REVIEW -- STAFF NOTICED
23 UPON THEIR REVIEW.

24 UPON NOTICING THIS, STAFF WORKED WITH THE
25 CITY OF IRVINE TO RECOGNIZE THAT THIS IS
26 ERRONEOUS AND SHOULD NOT BE INCLUDED WITHIN THE
27 CALCULATION. THE CITY OF IRVINE CONCURRED WITH
28 THAT, AND SO, THEREFORE, WE HAVE A
29 RECOMMENDATION TO OMIT THE 30,000 TONS FROM THE

1 CALCULATION OF THE BASE-YEAR.

2 ALL THE OTHER INFORMATION HAS BEEN VERIFIED
3 BY STAFF, AND STAFF FEELS VERY COMFORTABLE WITH
4 THE CALCULATIONS AS PERFORMED AND ARE
5 RECOMMENDING APPROVAL OF THIS CHANGE OF
6 BASE-YEAR.

7 CHAIRMAN PENNINGTON: OKAY. ANY DISCUSSION
8 OR QUESTIONS OF STAFF?

9 MR. EATON: JUST FOR MY OWN BACKGROUND
10 INFORMATION, HISTORY, BECAUSE A LOT OF THE
11 ACTION TOOK PLACE, THEY USED A COMPLETELY
12 DIFFERENT CALCULATION, IRVINE, OR DID THEY USE
13 THE SAME CALCULATION WITH DIFFERENT NUMBERS,
14 FROM WHEN THE ORIGINAL --

15 MR. SCHIAVO: OH, THE ORIGINAL CALCULATION?

16 MR. EATON: YEAH.

17 MR. SCHIAVO: APPARENTLY THERE WAS A LOT OF
18 FLOW OF WASTE THAT WAS COMING FROM OTHER
19 COUNTIES THAT WERE ACCOUNTED INTO THEIR
20 JURISDICTION AND SOME OF THEIR JURISDICTIONS'
21 WASTE WAS INTO OTHER COUNTIES, SO NOBODY COULD
22 ACCOUNT FOR THE ACCURACY OF THAT -- OF THAT AT
23 THAT TIME.

24 AND IN 1990, FROM MY UNDERSTANDING, THERE
25 WAS A LOT OF CONFUSION OVER HOW THEY EVEN
26 PERFORMED THE CALCULATIONS BECAUSE THE PROGRAM
27 IS NEW. AND SO APPARENTLY THERE'S BEEN A LOT
28 OF TURNOVER IN STAFF, AND WHEN THEY WERE
29 REVIEWING WHAT TOOK PLACE IN 1990, THEY FELT

1 VERY UNCOMFORTABLE WITH THE BASIS FOR THOSE
2 CALCULATIONS.

3 MR. EATON: SO DID THEY USE A NEW FORMULA
4 TO CALCULATE THIS ONE? I'M JUST TRYING TO
5 FIGURE OUT --

6 MR. SCHIAVO: OH, THE FORMULA IS THE SAME.
7 IT'S A STATIC FORMULA.

8 MR. EATON: THAT'S WHAT I WAS ASKING YOU.

9 MR. SCHIAVO: OKAY.

10 MR. EATON: I'M TRYING TO GET IT RIGHT.

11 AND WHAT IS THE CHANGE FROM THE ORIGINAL --
12 NORMALLY WE HAVE A CHART THAT --

13 OH, THE ACTUAL NUMBERS?

14 MR. EATON: -- COMPARES?

15 BECAUSE I COULD SEE WHERE THERE MIGHT NOT
16 BE A NECESSITY IF THEY CHANGED FORMULAS BECAUSE
17 THAT REALLY WOULDN'T BE RELEVANT IN THE SENSE
18 THAT IF YOU USED THE SAME --

19 MR. SCHIAVO: SURE.

20 MR. EATON: IF YOU USE A DIFFERENT FORMULA,
21 OF COURSE YOU'RE GOING TO COME UP WITH A
22 DIFFERENT FIGURE, SUPPOSEDLY, OR SOMETHING
23 CLOSE, BUT --

24 MR. SCHIAVO: I'LL TRY TO DO IT FROM MY
25 RECOLLECTION OF SEEING THE CALCULATIONS. I
26 BELIEVE THE ORIGINAL DISPOSAL CALCULATION WAS
27 IN THE LOW -- EITHER THE HIGH 190,000S OR LOW
28 200,000S. THE DIVERSION NUMBER WAS LOWER. THE
29 NET EFFECT WAS AT 10.6 DIVERSION RATE FOR 1990.

1 MR. EATON: THANK YOU.

2 CHAIRMAN PENNINGTON: OKAY. ANY OTHER
3 DISCUSSION? IF NOT, I'LL ENTERTAIN A MOTION.

4 MR. FRAZEE: MR. CHAIRMAN, I MOVE ADOPTION
5 OF RESOLUTION OF 1999-01.

6 CHAIRMAN PENNINGTON: OKAY.

7 MR. JONES: I'LL SECOND.

8 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN
9 MOVED BY MR. FRAZEE, SECONDED BY MR. JONES THE
10 ADOPTION OF RESOLUTION 99 -- 1999-01.

11 IF THERE'S NO FURTHER DISCUSSION, WILL THE
12 SECRETARY CALL THE ROLL?

13 MS. KELLY: BOARD MEMBER EATON?

14 MR. EATON: AYE.

15 MS. KELLY: FRAZEE?

16 MR. FRAZEE: AYE.

17 MS. KELLY: JONES?

18 MR. JONES: AYE.

19 MS. KELLY: ROBERTI?

20 MR. ROBERTI: AYE.

21 MS. KELLY: CHAIRMAN PENNINGTON?

22 CHAIRMAN PENNINGTON: AYE.

23 MOTION CARRIES.

24 AND MOVE TO ITEM NO. 7, CONSIDERATION OF
25 APPROVAL FOR RENUMBERING THE RESOLUTIONS FOR
26 LAKE COUNTY SUMMARY PLAN, SITING ELEMENT, AND
27 COUNTYWIDE INTEGRATED WASTE MANAGEMENT PLAN
28 APPROVED ON DECEMBER 15TH, 1998 BY THE BOARD.

29 JUDY FRIEDMAN.

1 MS. FRIEDMAN: HAD TO PULL OUT MY BINDER.

2 THIS ITEM IS A HOUSEKEEPING ITEM. IN

3 DECEMBER, WHEN WE CAME BEFORE THE BOARD, WE HAD

4 IDENTIFIED THE WRONG RESOLUTION NUMBERS FOR THE

5 THREE RESOLUTIONS THAT TOOK CARE OF THAT

6 PARTICULAR ITEM, AND THE CORRECTED RESOLUTION

7 NUMBERS ARE IDENTIFIED IN THIS ITEM. AND IF

8 THE BOARD WOULD SIMPLY READOPT THIS WITH THE

9 CORRECT RESOLUTION NUMBERS, THEN WE WOULD HAVE

10 THE RECORD BEING ACCURATE.

11 CHAIRMAN PENNINGTON: SO DO YOU WANT US TO

12 GO THROUGH EACH ONE 98416, 417 OR CAN WE JUST

13 DO IT IN ONE MOTION?

14 MS. FRIEDMAN: YOU'LL HAVE TO REFER TO

15 LEGAL ON THAT.

16 MS. TOBIAS: IF YOU WANT TO DO IT ON ONE

17 MOTION, I DON'T HAVE A PROBLEM WITH THAT.

18 CHAIRMAN PENNINGTON: OKAY.

19 MR. ROBERTI: MR. CHAIRMAN, I MOVE 98416,

20 98417 AND 98418.

21 MR. FRAZEE: SECOND.

22 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN

23 MOVED BY SENATOR ROBERTI AND SECONDED BY MR.

24 FRAZEE THE ADOPTION OF RESOLUTION 98416,

25 RESOLUTION 98417 AND RESOLUTION 98418.

26 IF THERE'S NO FURTHER DISCUSSION, WILL THE

27 SECRETARY CALL THE ROLL, PLEASE?

28 MS. KELLY: BOARD MEMBER EATON?

29 MR. EATON: AYE.

1 MS. KELLY: FRAZEE?

2 MR. FRAZEE: AYE.

3 MS. KELLY: JONES?

4 MR. JONES: AYE.

5 MS. KELLY: ROBERTI?

6 MR. ROBERTI: AYE.

7 MS. KELLY: CHAIRMAN PENNINGTON?

8 CHAIRMAN PENNINGTON: AYE.

9 MOTION CARRIES.

10 WE'LL MOVE TO ITEM NO. 8, CONSIDERATION OF
11 AWARDING CERTIFICATES OF ACHIEVEMENT TO
12 JURISDICTIONS THAT SATISFIED THE FIRST
13 DIVERSION RATE MANDATE OF 25 PERCENT OR HAVING
14 DEMONSTRATED GOOD-FAITH EFFORTS AND HAVING HAD
15 THEIR BIENNIAL REVIEW APPROVED BY THE BOARD.

16 THIS WILL BE PRESENTED BY BOARD MEMBER
17 STEVEN JONES.

18 MR. JONES: MR. CHAIRMAN, ACTUALLY CALVIN
19 WAS GOING TO -- WHO WROTE THIS ITEM WAS GOING
20 TO COME DOWN AND DO IT, AND THEN HE GOT SICK SO
21 --

22 CHAIRMAN PENNINGTON: WELL, WE CAN PUT IT
23 OVER, IF YOU WANT.

24 MR. JONES: NO, NO. STAFF -- STAFF OFFERED
25 TO DO IT, BUT JUST IN A NUTSHELL, WE HAD MADE A
26 DETERMINATION, WHICH ACTUALLY AN AWFUL LOT OF
27 PEOPLE MAKE COMMENTS, I GUESS, TO ME -- I DON'T
28 KNOW IF ANY OF YOU HEARD IT -- BUT AS PART OF
29 THE AMERICA RECYCLES DAY EVENTS TO TIE TO ARD,

1 THE AWARD OF CERTIFICATES TO CITIES AND
2 COUNTIES THAT HAD MET THE 25-PERCENT MANDATE AT
3 THAT TIME, IT SEEMED LIKE AN APPROPRIATE
4 VEHICLE TO LET CITIES AND COUNTIES KNOW THAT
5 THE WASTE BOARD ACKNOWLEDGES THE EFFORTS THAT
6 THEY PUT IN TO MEET THOSE MANDATES. WE TIED IT
7 TO ARD BECAUSE PART OF OUR MISSION IS TO
8 COMPLETE THE LOOP.

9 ARD IS ABOUT BUYING AND RECYCLING. IT WAS A
10 PERFECT PLATFORM FOR CITIES AND COUNTIES TO BE
11 ABLE TO ACCEPT THOSE AWARDS AT AMERICA RECYCLES
12 DAY EVENTS, AND THEY WERE SUCCESSFUL. YOU ALL
13 PARTICIPATED. AND NOW WE'VE GOT A LOT OF
14 CITIES AND COUNTIES THAT WANT THIS CERTIFICATE,
15 AND IF THERE'S 536 CITIES, THERE'S SIX OF US
16 AND A LOT OF THINGS TO DO. SO THERE ARE
17 OPTIONS. HOW DO WE GET THEM OUT?

18 THE OPTIONS ARE THAT WE COULD MAIL THEM,
19 WHICH IS APPROPRIATE. WE COULD MAIL MOST OF
20 THEM AND IN -- IN SOME AREAS WHERE THERE HAVE
21 BEEN BIG EVENTS, YOU KNOW, WE COULD LOOK AT
22 THAT TO -- MAYBE A BOARD MEMBER COULD GO DOWN
23 AND MEET -- YOU KNOW, DO THEM WITH THREE OR
24 FOUR JURISDICTIONS, BUT I THINK THAT WOULD HAVE
25 TO BE LIMITED JUST BECAUSE OF THE SCOPE OR WE
26 DON'T DO ANYTHING, AND WE DECIDE THAT WE'LL
27 KEEP IT TIED TO AMERICA RECYCLES DAY EVENTS OR
28 OTHER EVENTS THAT HELP PROMOTE THE MISSION OF
29 THIS BOARD.

1 AND I'M NOT -- YOU KNOW, I -- AND, AGAIN, I
2 THINK ANY WAY THIS BOARD WANTS TO DO IT IS
3 FINE, BUT IT DID HAVE AN IMPACT TO BE ABLE TO
4 CLOSE THE LOOP AND ACKNOWLEDGE CITIES' AND
5 COUNTIES' EFFORTS, AND I THINK THAT'S
6 IMPORTANT, BUT I ALSO THINK GETTING TO 536
7 CITIES AND COUNTIES IS GOING TO BE PRETTY
8 TOUGH, SO --

9 CHAIRMAN PENNINGTON: WHAT -- WHAT ARE YOU
10 RECOMMENDING?

11 MR. JONES: I AM --

12 CHAIRMAN PENNINGTON: THAT WE ADOPT 99-47?

13 MR. JONES: WHICH IS --

14 MR. EATON: MR. EPPE SHOULD HAVE HAD TO
15 MAKE THE PRESENTATION FROM THE LECTURE. WE
16 COULD HAVE ASKED A PEPPER OF QUESTIONS.

17 MR. JONES: WE -- YEAH, I'M RECOMMENDING
18 THAT -- LET ME SEE -- THAT WE MAIL THEM TO
19 THEM, IF THAT WILL WORK.

20 MR. EATON: FIRST CLASS OR BULK?

21 MR. JONES: BULK. FIRST CLASS FOR THE
22 EFFORT.

23 MS. KELLY: COME TO THE BOARD MEETING.

24 MR. JONES: THEY'RE NOT GOING TO COME TO
25 THE BOARD MEETING.

26 SO LET ME READ THIS TO MYSELF, BECAUSE I
27 WASN'T SURE WHICH ONE WE DECIDED TO PUT IN,
28 UNLESS ONE OF THE OTHER BOARD MEMBERS HAS AN
29 OPTION THAT THEY LIKE.

1 CHAIRMAN PENNINGTON: I LIKE YOUR OPTION,
2 TO MAIL THEM.

3 MR. EATON: I THINK HE'S DOING VERY WELL.

4 CHAIRMAN PENNINGTON: AFTER --

5 MR. ROBERTI: OPTION TWO, WE'RE MAILING ALL
6 THIS NOW?

7 CHAIRMAN PENNINGTON: RIGHT.

8 MS. KELLY: SO CHANGE THE RESOLUTION?

9 CHAIRMAN PENNINGTON: I GUESS WE HAVE TO,
10 YEAH.

11 MR. JONES: SO WAS THAT A MOTION THAT WE
12 MAIL THESE THINGS, WHICH IS FINE. I'LL SECOND
13 IT IF MR. -- IF SENATOR ROBERTI MADE IT.

14 MS. KELLY: I CHANGED THE RESOLUTION.

15 MR. ROBERTI: I'LL MAKE THE MOTION TO MAIL
16 THEM.

17 MR. JONES: OKAY.

18 MR. ROBERTI: THAT'S ITEM 2 -- I MEAN
19 THAT'S OPTION 2.

20 CHAIRMAN PENNINGTON: OPTION 2.

21 MS. KELLY: BUT THAT SAYS ITEMS IN THE
22 APRIL BOARD MEETING. ARE WE GOING DO THAT
23 ALSO?

24 MR. JONES: DOES IT? WAIT A MINUTE.

25 MR. ROBERTI: OH, IT DOES?

26 MS. KELLY: THAT'S WHAT THE RESOLUTION
27 READS.

28 MR. JONES: WELL, YEAH, BUT OPTION 2 --
29 OKAY.

1 MR. ROBERTI: I WOULD DO OPTION 2, AND
2 WITHOUT A FORMAL INVITATION, JUST, HEY, IF THEY
3 KNOW ABOUT THE MEETING AND THEY WANT TO COME,
4 THEY'RE WELCOME, BUT, I THINK -- I THINK IT'S A
5 BIT MUCH TO INVITE THE ENTIRE WORLD OF LOCAL
6 GOVERNMENT FOR A MEETING.

7 CHAIRMAN PENNINGTON: RIGHT. OKAY. SO WE
8 COULD SAY WE'LL ADOPT OPTION NO. 2 AND LEAVE IT
9 AT THE DISCRETION OF THE JURISDICTION AND THE
10 BOARD WHEN THEY APPEAR. OTHERWISE, WE'LL MAIL
11 THEM.

12 MS. KELLY: AMEND THE RESOLUTION?

13 CHAIRMAN PENNINGTON: RIGHT. THEY'RE NOT
14 GOING TO ADOPT THAT RESOLUTION.

15 SO IF I MAY, SENATOR MOVES THE ADOPTION OF
16 OPTION NO. 2 WITH THE -- AS AMENDED, RIGHT?

17 MR. JONES: I'LL SECOND.

18 CHAIRMAN PENNINGTON: AND SECONDED BY MR.
19 JONES, AND IF THERE'S NO FURTHER DISCUSSION --

20 MR. CHANDLER?

21 MR. CHANDLER: SORRY. NOT TO BELABOR THIS
22 ISSUE, BUT IF WE COULD POTENTIALLY LEAVE OPEN
23 THE OPTION OF TAKING ADVANTAGE OF THE UPCOMING
24 CSAC CONFERENCE OR THE LEAGUE OF CITY
25 CONFERENCE, IF THERE'S ANYTHING THERE THAT THE
26 BOARD MIGHT WANT TO TAKE ADVANTAGE OF, THAT
27 MIGHT BE THE APPROPRIATE SETTING AS WELL TO GET
28 OUR ISSUE HIGH ON THEIR AGENDA, ONCE AGAIN, AND
29 ACKNOWLEDGE CITIES --

1 MR. ROBERTI: I'D AMEND MY RESOLUTION TO
2 TAKE THE LOCAL CSAC CONFERENCE OR IS IT
3 CONFERENCE -- CONFERENCE -- CONFERENCE INTO
4 CONSIDERATION AND -- AS AN APPROPRIATE TIME TO
5 DISTRIBUTE THESE OR SOME OF THEM WITH THE
6 DISCRETION -- WITHIN THE DISCRETION OF THE
7 CHAIR.

8 CHAIRMAN PENNINGTON: RIGHT. RIGHT. THERE
9 WE GO.

10 MR. JONES: AND THAT INCLUDES THE LEAGUE OF
11 CITIES STUFF.

12 MR. ROBERTI: AND THE LEAGUE OF CITIES AS
13 WELL.

14 CHAIRMAN PENNINGTON: VERY GOOD. THANK
15 YOU.

16 OKAY. IT'S BEEN MOVED AND SECONDED, AND IF
17 THERE'S NO FURTHER -- NO FURTHER DISCUSSION,
18 WILL THE SECRETARY CALL THE ROLL?

19 MS. KELLY: BOARD MEMBER EATON?

20 MR. EATON: AYE.

21 MS. KELLY: FRAZEE?

22 MR. FRAZEE: AYE.

23 MS. KELLY: JONES?

24 MR. JONES: AYE.

25 MS. KELLY: ROBERTI?

26 MR. ROBERTI: AYE.

27 MS. KELLY: CHAIRMAN PENNINGTON?

28 CHAIRMAN PENNINGTON: AYE.

29 MOTION CARRIES.

1 THAT COMPLETES OUR AGENDA FOR THE DAY.

2 THIS IS NOW THE TIME FOR OPEN DISCUSSION,

3 IF ANYBODY IN THE AUDIENCE WISHES TO DISCUSS A

4 MATTER BEFORE THE BOARD, I'M WILLING TO HEAR IT

5 NOW.

6 MR. JONES: DO WE HAVE TO MAKE A COMMENT?

7 CHAIRMAN PENNINGTON: NO, I'VE POLLED.

8 MR. JONES: OH, YOU ALREADY POLLED?

9 CHAIRMAN PENNINGTON: OKAY. IF THERE ISN'T
10 ANY, WE ARE ADJOURNED.

11 (THE PROCEEDINGS CONCLUDED AT 11:50 A.M.)

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REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

I, BARBARA R. REISDORF, A CERTIFIED
SHORTHAND REPORTER, IN AND FOR THE STATE OF
CALIFORNIA, DO HEREBY CERTIFY:

THAT THE FOREGOING PROCEEDINGS
WERE TAKEN DOWN BY ME IN STENOGRAPHY AT THE
TIME AND PLACE HEREIN STATED AND THEREAFTER
REDUCED TO PRINT BY COMPUTER-AIDED
TRANSCRIPTION UNDER MY DIRECTION.

DATED _____ DAY
OF _____ 1999.

BARBARA R. REISDORF, CSR 7415